

The Global Newspaper
Edited and Published
in Paris
Printed simultaneously
in Paris, London, Zurich,
Hong Kong, Singapore,
The Hague, Marseille,
Milan, Rome.



No. 32,488 32/87

Herald Tribune

Published With The New York Times and The Washington Post

PARIS, FRIDAY, AUGUST 7, 1987

ESTABLISHED 1887

U.S. Latin Offer Seen as a Ploy

Managua's Expected Rejection Could Assure Contra Aid

By Joel Brinkley
New York Times Service

WASHINGTON — As it has before, the Reagan administration offered its latest Central American peace plan in the full expectation that Nicaragua would reject it, several administration officials said.

That scenario, White House officials said, would help assure the approval in Congress of renewed aid to the contras. Under the plan, which was put forward Wednesday, the United States would press ahead with aid to the contras unless Nicaragua accepted a cease-fire and democratic reforms.

The strategy has worked before. When President Ronald Reagan offered a Nicaraguan peace plan in April 1985, the Sandinista foreign minister, the Reverend Miguel d'Escoto Brockmann, waited not even 24 hours before declaring: "What President Reagan has said is: 'You drop dead or I will kill you.'" Formal rejection followed a day later, and Congress approved \$27 million in nonmilitary aid to the contras less than two months after that.

Nicaragua was not so quick to condemn the latest plan — realizing, a government adviser said, that a quick rejection would play into the White House's hand and perhaps tip the balance in Congress in favor of renewed contra aid.

[President Daniel Ortega Saavedra of Nicaragua said Thursday that refusal by the United States to negotiate directly with his government would make President Reagan's new peace initiative "a

publicity stunt." The Associated Press reported from Guatemala City.]

[Mr. Ortega, arriving for a two-day summit meeting of five Central American presidents, reiterated his call, first made Wednesday, for direct talks between Managua and Washington.]

"We have accepted an invitation to talk, to seek peace through negotiations with the United

NEWS ANALYSIS

States," he said. "If the United States rejects direct talks with us, the whole thing is a sham, a publicity designed to impress whoever they think is gullible enough."

In Washington, Secretary of State George P. Shultz responded coolly to Mr. Ortega's proposal for the two countries to hold discussions on Mr. Reagan's initiative.

"I think it is critical to establish that there is no way the United States would want to sit down with Nicaragua to decide what is right for Central America," Mr. Shultz said. "That has to be done by all the Central American countries."

Father d'Escoto, speaking Wednesday in Guatemala, said, "I have profound suspicion over anything Reagan does." But in Washington, the Nicaraguan ambassador, Carlos Turnermaan Bernheim, said, "We find several very positive and interesting elements" that "we can work with and can be improved."

Officials acknowledged that part of the White

See PEACE, Page 6

Kiosk

Koch Is Taken To N.Y. Hospital

NEW YORK (AP) — Mayor Edward I. Koch of New York was hospitalized Thursday after complaining of nausea, dizziness and slurred speech. He was listed in good condition.

A hospital spokesman said doctors were considering the possibility that Mr. Koch, 62, suffered from an ailment known as TIA, or transient ischemic attack, a temporary disorder that causes a diminished flow of oxygen to the brain.



Edward I. Koch

GENERAL NEWS

■ David Owen quit as leader of Britain's Social Democratic Party after a merger with the Liberals was approved. Page 2.

■ A dredging vote of confidence made clear the instability of Giovanni Goria's coalition in Italy. Page 5.

BUSINESS/FINANCE

■ The proposed merger between British Airways and British Caledonian has been thrown into doubt. Page 9.

■ Dow close: UP 27.58. The dollar in New York: DM E Yen FF 1.8845 1.5765 151.50 6.2795

To Our Readers

Because of a power failure at our Paris printing plant, delivery of some copies of Thursday's Herald Tribune was delayed. We regret the inconvenience.

Fearing Attack, UNITA Alters Guerrilla Strategy

By William Claiborne
New York Times Service

CHAMBIANGA, Angola — By all appearances, the inhospitable savannah around this sun-scorched hamlet is deserted, except for the occasional warthog rooting in the deep sand or a pair of antelopes nervously sniffing for predators.

Suddenly, a clump of thorny foliage moves, revealing four camouflaged guerrillas manning an anti-tank gun pointed menacingly to the west. Nearby, light machine-gun emplacements protect a wire-guided TOW anti-tank missile position, and the eye begins to discern through the concealing foliage, bazookas, recoilless rifles and hundreds of combat-ready soldiers.

The stillness is abruptly shattered as nearby artillery batteries and unleash salvoes of mortar shells and Katyusha rockets, answered in minutes by enemy mortar fire that falls far wide of its target.

The classic defensive deployment is not a welcome position for the anti-communist rebels of Jonas

On Sidelines, Bush Says Hearings Acquitted Him

By David S. Broder
New York Times Service

WASHINGTON — Vice President George Bush, claiming his truthfulness had been vindicated in the Iran-contra hearings, says that he cannot be fairly criticized by opponents in the 1988 presidential campaign because he was "denied information" about what was going on.

In an interview Wednesday, Mr. Bush blamed members of the congressional investigating committee, which completed their public hearings that week, for what he said was the public's "distorted view" of it.

"They just kept pounding away that everything was evil... starting with the idea that 'the president must have known about the diversion of funds,'" Mr. Bush said. "I've said all along I didn't know about the diversion of funds, and I think people may now understand I was telling the truth."

Mr. Bush, the leading contender for the Republican presidential nomination, said he had not advised the president against selling arms to Iran, in part because he never heard strong opposition to that policy from such officials as Secretary of State George P. Shultz, Secretary of Defense Caspar W. Weinberger.

"If I'd have sat there and heard George Shultz and Caspar express it strongly," he said, "maybe I would have had a stronger view. But when you don't know something, it's hard to react."

"We were not in the loop," Mr. Bush added.

The vice president said he had no idea that there was anything like a "raging fight" over the arms sales between Mr. Shultz and Mr. Weinberger on the one hand and top officials of the National Security Council and the CIA on the other.

Asked repeatedly if he was unaware of the Shultz-Weinberger objections, Mr. Bush said: "I didn't attend the meeting where that was brought up, apparently with great vehemence. I was off at the Army-Navy football game" on Dec. 7, 1983, "and none of them ever came to me" at other times to discuss their objections.

Mr. Bush did not mention a subsequent meeting, on Jan. 7, 1986, where, according to their testimony and other evidence, Mr. Shultz and Mr. Weinberger again expressed

their strong disapproval to President Ronald Reagan of U.S. arms sales to Iran.

Mr. Weinberger testified last week that he and Mr. Shultz "made all of the same arguments with increasing force" at that session. Mr. Bush was present at that meeting and, according to Mr. Shultz, joined Vice Admiral John M. Poindexter, then the national security adviser, and William J. Casey, then the CIA director, in favoring more arms sales to Iran. Mr. Casey died in May.

Asked later Wednesday about that Jan. 7 meeting, Mr. Bush's chief of staff, Craig Fuller, said, "If he was there for all of it, he doesn't recall it as a showdown session, and it's possible he wasn't there for all of it."

The hearings produced no testimony indicating that Mr. Bush was vocal at any point in the discussions on the arms sales, even though he formerly held the post of CIA director, ran the administration's task force on terrorism and was known to have strong views on the importance of protecting American interests in the Gulf.

When asked if a 1988 opponent might capitalize on the fact that Mr. Bush, by his own account, stood mute as the plan moved toward the embarrassing end that Mr. Shultz and Mr. Weinberger

See BUSH, Page 6

Even before the Conservatives won the election, analysts had said that given the fast pace of money

Bank Lifts Key Rate In Britain

Market Plunge Follows Move to Defend Pound

International Herald Tribune

LONDON — The Bank of England jolted British financial markets on Thursday by forcing key interest rates up a full percentage point in a stated attempt to forestall inflation. The move sent stock and bond prices plummeting, with a key stock index falling a record 56 points.

The central bank raised its benchmark dealing rate a full point to 9.875 percent, and Britain's four major clearing banks promptly raised their base lending rates to 10 percent from 9 percent.

The Bank of England wanted to take the markets by surprise — and they succeeded, "said Keith Skeoch, chief economist with James Capel & Co., the London brokerage firm.

Sterling reacted by firming against most major currencies. But the dollar was stronger, and the pound slipped to \$1.5750 from \$1.5780 on Wednesday. On its trade-weighted index against a basket of currencies, the pound was unchanged at 72.1.

Nigel Lawson, chancellor of the Exchequer, said the central bank's move was aimed at keeping inflation low in the midst of an economic boom.

"We have the fastest rate of growth of all the major countries in the world and we have inflation low — and I want to keep it that way," he said.

Analysts said the bank was apparently worried that the current consumer spending boom, fueled by relatively cheap money, was in danger of overheating the economy and rekindling inflation.

The government has pledged to cut inflation further from the 4.2 percent in June, although analysts expect a rise to 4.4 percent for July.

Growth in gross domestic product excluding the oil sector is running at about 4.50 percent. GDP measures a nation's goods and services excluding income from foreign investment.

Interest rates had been steady since May, after dropping in half-point increments from 11 percent in March. Many analysts had attributed the decline to the desire of the ruling Conservative Party to increase the supply of money and thus stimulate the economy ahead of an election, which was held in June.

Even before the Conservatives won the election, analysts had said that given the fast pace of money



PATH TO FREEDOM BARRED — A Vietnamese refugee awaiting word on his fate at a holding center in Hong Kong, which is being flooded by would-be immigrants from southern China. Thousands who have recently arrived face an uncertain future. Page 2.

U.S. Alert to Possibility Of Iran Terrorist Action

By Stephen Engelberg
New York Times Service

WASHINGTON — U.S. intelligence has detected evidence that Iran may be preparing attacks on U.S. installations abroad and possibly within the United States, government officials say.

The officials said the Federal Bureau of Investigation had assigned agents to look into a report that Iranians in the United States were scouting possible domestic targets.

One official termed the FBI's action precautionary and said there was no "hard evidence" of Iranian plans to mount an assault inside the United States.

But another official said: "There is a real concern for concern about Iranian terrorism in the United States. There are a lot of Khomeini supporters in this country."

Secretary of State George P. Shultz, during a news conference Thursday in Washington, said: "Naturally, we have to be on the alert in our various installations."

"We're alert to things," Mr. Shultz said, "and prepared to take action if we need to."

The secretary repeated Reagan

administration assertions that the U.S. fleet in the Gulf was not provocative and added, "I don't think there's any prospect at all we'll be drawn into a shooting war."

Government officials said the most worrisome information collected recently involved possible threats to U.S. installations in Europe and the Middle East.

They said some U.S. Embassies had been put under surveillance by people thought to be Iranian agents in what is viewed as a possible first step in planning an attack.

Intelligence analysts have also noted the movement into various countries of Iranians known to have been associated with planning other terrorist actions.

U.S. officials said the most recent intelligence assessments by the Defense Intelligence Agency rated the threat of Iranian terrorism as high and had mentioned both U.S. installations abroad and within the United States.

The officials said it was impossible to determine whether the activity represented contingency planning, serious preparation for attack or an attempt at psychological warfare by Tehran.

"They may just be jerking our chain," an official said.

In recent weeks, as the United States has increased its naval presence in the Gulf and tensions with

See TARGETS, Page 6

Shultz Sees Allied Effort As Feasible

International Herald Tribune

Secretary of State George P. Shultz said Thursday that joint allied mine-clearing operations in the Gulf were still feasible despite West European refusals to answer a U.S. call to send vessels to the area.

Mr. Shultz said: "There have been proposals from various European countries that there be some joint action in some way to deal with the mine problem. Certainly, we're ready to talk about that."

Mr. Shultz was answering a question at a Washington news conference about reports that some West European countries were considering putting together a mine-sweeping force on their own.

In Rome, Foreign Minister Giulio Andreotti said that the West Europeans appeared to prefer carrying out such operations under United Nations auspices.

Mr. Andreotti said: "The prevailing view is that priority must be given to political support for action undertaken within the United Nations."

A spokesman for the Dutch Foreign Ministry said West European governments "are, of course, permanently in contact. But for the moment there is nothing specific or concrete."

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Iranian exclusion zones.

Tension in the Gulf has been mounting steadily in recent weeks with a U.S. decision to refuel Kuwaiti ships.

See GULF, Page 6

Afghanistan	400 Dls.	Iraq	115 Dls.	Chad	2,000 Dls.
Angola	27.5 Dls.	Ivory Coast	1,200 Dls.	Cameroon	1,200 Dls.
Bahrain	870 Dls.	Jordan	1,800 Dls.	Camerun	1,450 Dls.
Belgium	50 Dls.	Kuwait	450 Fr.	Lebanon	25 P.
Canada	C\$ 1.95	Kyrgyz	500 Fr.	Saudi Arabia	700 Dls.
Ceylon	C.E. 0.80	Kuwait	500 Fr.	Spain	125 P.
Danmark	1000 Dks.	Liberia	1,000 Dls.	Sweden	800 S.K.
Egypt	1,250 Dls.	Madagascar	1,250 Dls.	Switzerland	2,500 F.
Finland	700 Dls.	Mali	1,250 Dls.	Thailand	1,250 Dls.
France	7,000 F.	Morocco	8,000 Fr.	Turkey	

China's Army Fighting To Live Up to Its Image

Despite Campaign to Modernize, Inefficiency, Low Morale Persist

By Daniel Southerland
Washington Post Service

BEIJING — The Chinese Army, celebrating its 60th anniversary, has dominated the news this week, portraying itself as a modernizing force opening up to the outside world.

The army, which has traditionally valued secrecy and viewed foreigners with mistrust, even announced that it would start sending promising young officers to study in military academies abroad.

Nevertheless, according to some foreign military experts, the world's largest fighting force remains more than 20 years behind the leading powers in its weapons technology, is top-heavy with officers who enjoy special privileges, and in some units, is plagued by poor morale.

High Chinese military officials assert that they have succeeded in reducing the army's ranks by a million men, or nearly one-fourth of the total, in an effort to make it leaner and more efficient.

But one foreign expert said that it has apparently taken the leadership longer than was originally expected to reduce the army's size because of resistance from officers who cherish their privileges and influence.

The anniversary has produced a steady stream of television programs, books and newspaper articles describing the history of the army and praising its heroes and its efforts to modernize. The public image is one of an invulnerable, computerized fighting force.

But a careful reading of speeches by military leaders in recent days gives the impression that they are on the defensive.

Yang Shangkun, vice chairman of the Central Military Commission, said: "It is very dangerous to neglect the modernization of the military on the assumption that a large-scale war is not possible for a period of time."

Mr. Yang, who is close to the senior leader, Deng Xiaoping,

warned against "a weakening concept of national defense and a slackening of vigilance." The veteran revolutionary said that "even people in the military" might not understand the need to strengthen the army.

Some observers said that Mr. Yang appeared to be fighting to maintain the army's influence within the Communist Party as the party approaches a major congress this October. The congress is expected to produce major shifts in the party's senior leadership.

With party leaders emphasizing economic development over military spending in recent years, the army has suffered a number of blows to its power and prestige.

The percentage of the state budget devoted to military expenditures has dropped, according to Defense Minister Zhang Aiping. Mr. Deng and his allies have sharply reduced military representation in the Politburo and Central Committee. Hundreds of defense factories have been diverted to civilian production.

For more than a decade, Mr. Deng has advocated the need to cut the size of the country's "bloated" army. One hidden aim of the troop cuts may be to eliminate older officers who oppose his economic policies.

He has made some headway, according to one American expert on China's military. June Teufel Dreyer, a professor at the University of Miami, describes the current demobilization effort as a "qualified success."

For one thing, she says, the median age of Chinese military commanders has been lowered by eight years since 1985, with the newer people better educated than their predecessors.

In the meantime, Chinese military officials maintain, the country is still facing threats to its security.

In a recent interview with the official news agency, Xinhua, Defense Minister Zhang said that "the border areas of our country are still threatened." He accused Soviet-supported Vietnam of "making ceaseless efforts to invade us."

Middle-aged officers in those units are unhappy with their low salaries but lack the skills needed to make a good living when they are retired from the army, the attaché said.

A monthly magazine, "Life in the PLA," pointed to drunkenness and theft as problems that trouble some army units. The magazine said members of one unit not only stole coal but also, at demobilization, walked off with about 100 tons of coal.

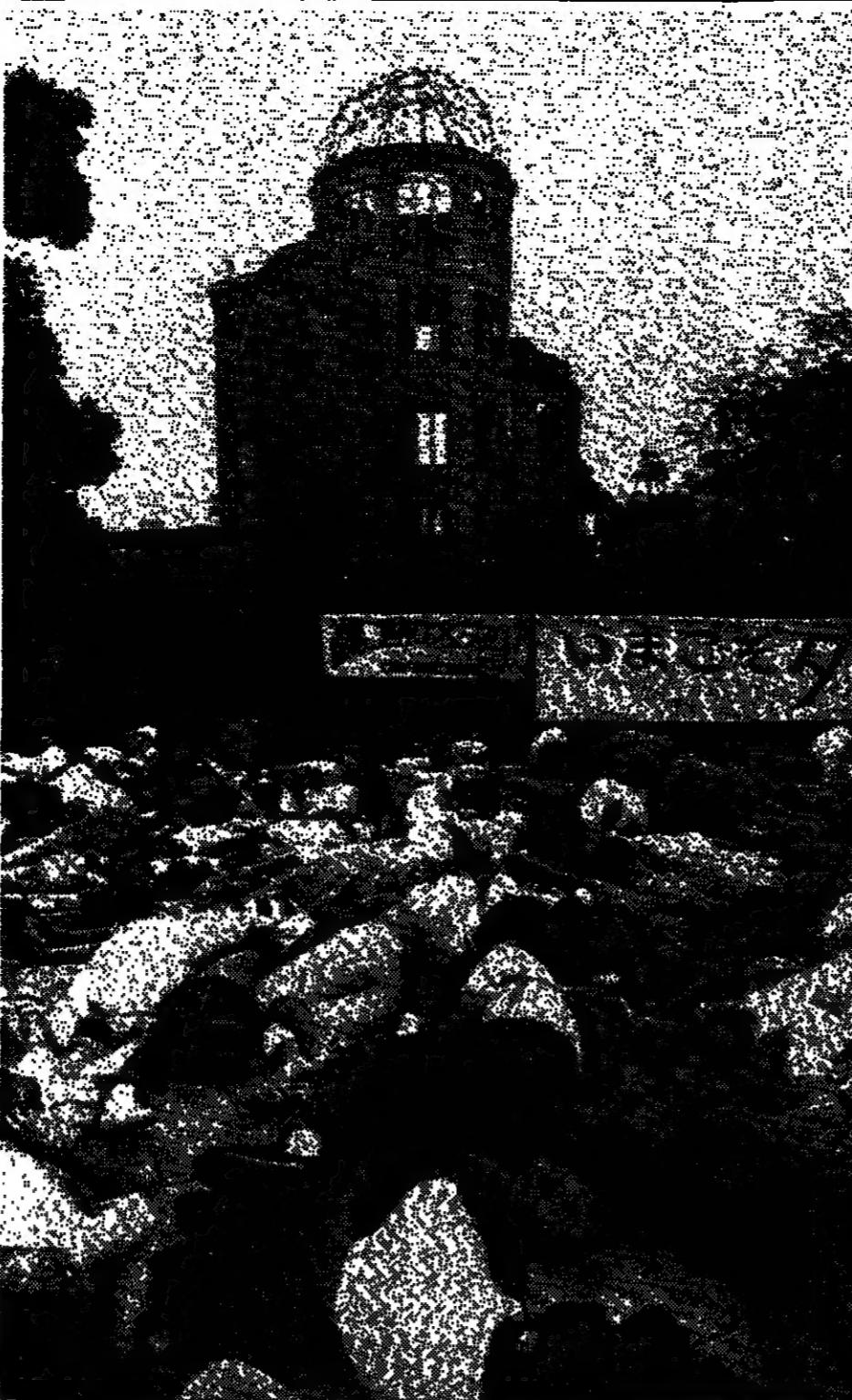
Many Chinese resent the special privileges top army officers enjoy, including chauffeur-driven Mercedes cars and much better food and housing than is available to the average Chinese.

Last Friday, 4,000 people met at the Great Hall of the People to mark the army anniversary. Among those attending was Hu Yaobang, the former chief of the Communist Party, who was forced from power in 1986.

Senior military commanders are said to have disliked Mr. Hu, and some sources believe that this enmity contributed to his downfall. Mr. Hu appeared at the meeting, it seems, to demonstrate unity within the army and leadership.

But some Chinese were skeptical of all the publicity surrounding the army.

"If the army's prestige is so high, why do they have to keep telling us about it?" asked one Chinese journalist.



Associated Press
NO MORE HIROSHIMAS — At the Hiroshima Peace Memorial Park in Japan on Thursday, a group dramatized the deaths that occurred during the atomic bombing 42 years ago. A domed monument at the park, in the background, signifies the destruction.

UN Rights Unit to Suriname

Russia

THE HAGUE — A team of six United Nations investigators will visit Suriname, a former Dutch colony in South America, later this month to investigate reports of human rights abuses, the Dutch news agency ANP reported Thursday.

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Hong Kong's New Tide of Refugees

Vietnamese Flooding in From China Face Uncertain Fate

By Patrick Smith
International Herald Tribune

HONG KONG — Thousands of Vietnamese refugees, many of whom settled in China almost a decade ago, are flooding into Hong Kong, forcing the administration to open new holding centers.

In the past week, almost 1,200 refugees, on more than two dozen boats, have been intercepted and placed in temporary quarantine by marine police patrols. All but a handful came from Guangdong Province and the Guangxi Zhuang autonomous region in southern China.

More than 3,000 Vietnamese have arrived from the mainland since July, when the influx began, compared with less than 100 in the first half of the year.

These arrivals are separate from the flow of refugees coming directly by boat from Vietnam. This, too, has been increasing this year, after doubling in 1986.

Officials believe the influx was sparked by rumors that resettlement

from Hong Kong to other countries is to increase, or that refugees would be granted the right to live in Hong Kong. In fact, mainland residents are sent back to China when they are apprehended trying to enter the colony illegally.

China is cooperating to control the flow of Vietnamese from the southern provinces, according to Hong Kong officials, and to hasten the process by which they will be accepted back on the mainland.

Despite some local resistance, the government reopened a refugee holding center on Thursday that had been closed last year. A former military installation is to be converted into a temporary camp within the next few days.

At present, the new refugees are being held on barges and on ferries normally used for harbor crossings.

Most criticism of Hong Kong's refugee program centers on its cost, which is roughly \$15 million a year.

In addition to the new boat people from the mainland, Hong Kong now has about 8,000 Vietnamese in four holding centers. Some have lived in the camps for almost a decade.

In May, Britain announced that it would effectively halve its accep-

tance rate from Hong Kong to about 20 refugees per month.

Accordingly, government officials are adamant that those arriving from the mainland will be treated as illegal immigrants.

These people will be kept in detention centers, not refugee camps," an official said Thursday, "and they will definitely be repatriated to the mainland."

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INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Camdessus: Right on Rich

The new managing director of the International Monetary Fund, Michel Camdessus, rightly urges all rich countries, even those in deficit, to do more to ease the debts of the poor. Third World debt is vast, and partly unpayable, unless governments change policies. That is why this debt currently sells at big discounts and why banks shrink profits to make reserves against it.

But the changes needed are two-fold. Debtors won't benefit from action by the rich without lasting efforts to help themselves. New money won't help debtors who shrink the reforms needed to raise efficiency and open the road to ultimate viability. They have to reduce inflation, public overspending and sheer waste. By land reform and realistic price policies, they have to stimulate food output (the possibilities are huge) so that they feed themselves and export food. Reform is painful to the privileged. But its absence makes the pain worse, because all the foreign money so laboriously gained just flows out again into the stock markets of the rich.

The performance of the poor is mixed. Countries like Zambia are backsliding. There is promise in Argentina, perhaps Brazil, and several African and Asian countries. One should not overestimate how far young democracies with populism and the military never far round the corner, can go. But they have to step up the pace if the rich are to provide them with more funds to service their debts and maintain reasonable growth.

How should the rich provide the funds? Faster growth would enable debtors to sell them more goods. But the rich are growing slowly, so there is increasing disinclination to admit manufactures from the poor and

prices of the raw materials the debtors produce are weak. Alternatively, the rich can provide the poor with more capital. This is not happening: the volume of net financial flows to developing countries fell 15 percent in 1986. But it could happen, in a better world, through three mechanisms.

Banks could extend new loans. They are slow to do this because they question how long debtors will be able to pursue their stabilization plans. And if business in the rich world stays slack, how can borrowers be credit-worthy. Alternatively, the rich could increase their equity investment in the debtors — the best solution of all. But good openings are scarce, because profitability seems low as long as the world teeters towards recession, and because too many debtors shy from foreign control of their industries. The bottom line is for the rich to raise non-market financial flows: more development aid, often on concessional terms, and increasing the lending of agencies like the International Monetary Fund and the World Bank. The volume of such aid fell last year. This is where the Camdessus doctrine is an invaluable antidote to the present lassitude of the developed world.

Rich countries shun aid because the lobbying for it is weak and because poor countries are thought to be taking jobs away from the rich countries. Few recall that greater aid would increase jobs because the recipient countries would spend what they gain. Aid is currently so low, and the rich so much richer than the poor, that it could be vastly increased with scarcely a macro-economic ripple. The rich wouldn't lose.

INTERNATIONAL HERALD TRIBUNE

Nicaragua: Plan or Ploy?

What might be called the Arias-Wright-Shultz-Baker-Reagan peace plan for Central America represents progress, inside the administration at least. It offers a glimmer of hope that President Reagan and his aides realize the need for negotiations, and perhaps even for compromises, to end a bitter conflict within and with Nicaragua. The pity is the taint of coming so late in the Reagan presidency — and so soon before a show-down vote in Congress on siding the Nicaraguan rebels.

Finally and wisely, the White House has made clearer its backing for the regional peace effort promoted by Costa Rica's president, Oscar Arias Sanchez. Yet it was all but compelled to do so. Congressional Democrats and moderate Republicans have joined in applauding Mr. Arias's idea of a regional cease-fire meshed with steps to democracy. The idea has developed some support in Central America, as attested by the regional meeting under way in Guatemala. And all this is happening on the eve of a September showdown over voting another \$100 million plus in military aid to the contras.

With this in mind, the House Speaker, Jim Wright, proposed a crucial modification in the Arias plan. The White House had objected that in return for an actual cease-fire, Nicaragua was asked only to promise steps to democracy. Mr. Wright proposes simultaneous deeds by a Sept. 30 target date: cease-fire, restoration of freedoms, a halt to outside military aid and to U.S. maneuvers in Honduras. His proposal was taken up by Secretary of State George Shultz and Howard Baker, the White House chief of staff. They have evidently persuaded President Reagan to go along.

But dangers and traps abound, and Congress has to be clear-eyed. The administra-

tion's record of hostility to compromise has to give pause. This is the first time in seven years that Mr. Reagan has put his name to terms that fall short of demanding that the Sandinists surrender power. Hence the suspicion that he has put forward the peace proposal in the expectation of its failure.

The bleak prospects for negotiations have to be faced, even as the bargaining is earnestly pursued. Even with Mr. Reagan's support, a negotiated settlement in Nicaragua, or El Salvador for that matter, will be extremely difficult to arrange. Adversaries in civil wars tend to demonize each other. And since personal, not just political, survival hangs on the outcome, adversaries are bound to hang back. By no reasonable measure is there time in 60 days to resolve bitter conflicts. Congress thus has to avoid being squeezed into voting large aid commitments for the contras if peace is not achieved by October.

Democratic leaders, including Mr. Wright, insist they have made no such pledge.

By all means let Congress welcome Mr. Reagan's recent conversion to diplomacy, but keep up the pressure that brought it about. Whatever the progress in Central American bargaining, Congress has to demand hard information about the contras, their failure to develop visible support within Nicaragua and their human rights abuses, now documented by the administration's own investigators. And Washington has to keep the faith with all of Central America's democrats — including the internal opposition in Nicaragua — in opposing thuggery from every quarter, Sandinist or contra.

If the Reagan administration has come to appreciate these complexities, then a serious attempt at negotiations can finally begin.

— THE NEW YORK TIMES.

Foreign Aid Shell Game

The U.S. foreign aid program is being ground up by the budget process. Just about everyone agrees the appropriated funds aren't enough to support U.S. policies abroad and are poorly distributed besides: too large a share, nearly 40 percent, goes to Israel and Egypt. Other recipients, equally worthy, are being pushed aside.

The administration's response is that, here as with defense, Congress should extract the necessary funds from other areas of government: domestic programs. But these already have been pretty well plucked, and the Democrats rightly say that the president should finance his defense and foreign policies with a tax increase. The

foreign aid budget has thus become a hostage in the larger dispute over fiscal policy. Until that is settled the proper course would be to reallocate the funds now available, to spread the shortage. But Congress and the president each find it useful to chide the other for squeezing the vulnerable recipients, and neither can bring itself to propose a cut for Israel. An example occurred in the markup of the current foreign aid appropriations bill last week. The House subcommittee chairman, David Obey, Democrat of Wisconsin, proposed minor cuts in aid from last year's levels for both Israel and Egypt. For Israel, \$36 million out of a \$3 billion total; for Egypt, \$26 million out of \$2.1 billion. He did not for great and lofty policy reasons, but as he himself admits, in an old-fashioned effort to circumvent the congressional accounting rules and get a larger program for a smaller appropriation.

Some appropriations, including aid to Israel and Egypt, are spent relatively quickly, others not. Under the rules, Mr. Obey could appropriate more if he shifted money from fast-spending accounts to slow, and that's what he was proposing. The small amounts taken from Israel and Egypt, plus some other such maneuvering, would have translated into about \$765 million more for other beneficiaries, he estimates. But the chairman says that 1) the administration balked and 2) so, as the word leaked out, did any number of congressmen, who begged him not to put them on the rack with his proposal, which he finally dropped. It was not an inspiring show.

— THE WASHINGTON POST.

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Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel: 672-7768. Telex: RS56202. Managing Dir. Asia: Malcolm Glavin, 50 Canterbury Rd., Hong Kong. Tel: 5810516. Telex: 61704. Managing Dir. UK: Robin Mackintosh, 63 Long Acre, London WC2. Tel: 834-4902. Telex: 260099. Gen. Mgr. W. Germany: W. Leutert, Postfach 15, 4000 Frankfurt/M. Tel: (069) 726733. Telex: 416721. Pres. U.S.: Michael Clegg, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 732-3892. Telex: 427175. S.A. au capital de 1.200.000 F. RCS Nanterre B 73202126. Commission Paritaire No. 61357. © 1987, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

OPINION

Moscow Tries 'Bait-And-Switch' Arms Tactic

By Richard N. Perle

WASHINGTON — If the transaction concerned the purchase of a washing machine the technique would be called "bait-and-switch," and it would be illegal. But as it concerns the security of the United States and the cohesion of the Western alliance, it's called "diplomacy" — and however objectionable, it isn't illegal.

The issue, of course, is a last-minute Soviet demand that the West Germans scrap their 72 older Pershing 1A missiles (the "switch") as a condition for a treaty eliminating intermediate missiles from the arsenals of the United States and the Soviet Union (the "bait"). The essence of the bait-and-switch tactic is that the customer is brought to the brink of a purchase only to be told that the deal he was about to make is no longer available. At this point a higher-priced alternative is brought out in the expectation that the hapless customer, his heart set on a new washing machine, will pay the premium rather than go home empty-handed.

Mikhail Gorbachev evidently believes that Ronald Reagan has his heart set on a treaty eliminating intermediate missiles — Mr. Reagan's own proposal of 1981 — and therefore will pay the added price rather than jeopardize the deal. The premium the Soviets are demanding in this case would require the United States to bargain away a weapon that belongs to its German allies. Soviet strategists figure that German confidence in the United States would be gravely damaged as a result and the already fragmented coalition in Bonn would come under new and dangerous strains. (The Russians caught an enticing glimpse of German anger over these matters when a minor issue, the treatment of shorter-range missiles the United States doesn't have, paralyzed the Kozai administration for weeks while Mr. Gorbachev rang propaganda bells throughout Europe.)

The justification the Soviet Union offers for this mischievous maneuver is the fact that the warheads for the German missiles are under U.S. control (would Moscow prefer them in German hands?), even though the missiles are not. But the treaty that is now taking shape in Geneva does not limit warheads; it limits missiles and launchers. One reason for this is the impossibility of verifying warheads, small and concealable as they are. Another is that the German Pershings

reflect what, in the special parlance of arms control, is known as an "existing pattern of cooperation." As such they have never been included in arms control agreements — or even in Soviet proposals put forth in previous negotiations, or previously in this one. Mr. Gorbachev knows that this new and disruptive demand is unconvincing. That is almost certainly why he waited until he thought unstoppable momentum toward an agreement had Mr. Reagan in thrall before raising the issue of the German Pershings.

The Soviet maneuver is bound to fail, not least of all because it ignores the remarkable continuing steadfastness that Mr. Reagan has demonstrated throughout the course of the negotiations on intermediate nuclear forces (INF). He knows (and Casper Weinberger, the secretary of defense, and George Shultz, the secretary of state, are there to remind him) that a treaty requiring the United States to abandon a long-standing principle and negotiate away the rights of allies would be given no effective complaint, even when Moscow treats their security with indifference. The Czechs and East Germans may have chafed when the Soviet Union wheeled in SS-22 missiles as a "response" to U.S. Pershing-2 deployments in West Germany, but they chafed silently.

The writer, a former assistant secretary of defense for international security policy, contributed this comment to The Washington Post.



In Latin America, There's No 'Good' U.S. Intervention

By Adolfo Aguilar Zinser

WASHINGTON — In view of recent events in South Korea and earlier events in the Philippines and Haiti, Americans are newly optimistic that leverage can be used to promote political pluralism and civilian democracy in friendly authoritarian regimes.

Proponents of such activism think that moving swiftly during a political crisis will prevent radical, pro-communist revolutions. This benevolent intervention is perceived to be in the best interest of the United States, even if it means disappointing a former ally or persuading a longtime friend.

Panama now seems to offer the U.S. Congress and the Reagan administration a perfect testing ground to take this "good" intervention approach to Latin America.

Following demonstrations against the country's strongman, General Manuel Antonio Noriega, the Senate and the House of Representatives approved resolutions demanding a return to civilian control in Panama and an investigation into allegations of murder and corruption leveled against General Noriega by a former military associate.

Contrary to hopes in Washington, strong U.S. criticism of General Noriega has awakened profound suspicion of Washington's motives among Panamanians and Latin Americans in general and has handed the discredited general a timely

pretense to shore up his defense using nationalistic themes. Though street protests against him continue, General Noriega's criticism of U.S. intervention has put the opposition leadership on the defensive regarding the nation's pride and Panamanian sovereignty.

The U.S. attacks on General Noriega have provoked a rare display of unity among Latin American governments. A July 1 vote by the Organization of American States illustrated the isolation of U.S. foreign policy in the region. At Panama's request, a resolution condemning U.S. intervention in its internal affairs was prepared by Argentina, Brazil, Mexico, Venezuela, Colombia, Peru, Bolivia and Nicaragua. In a roll call with no recent precedent in that organization, 17 nations — including Chile, Ecuador and Jamaica — voted in favor of the resolution. Only the United States voted no. Even staunch U.S. allies such as El Salvador, Honduras, Costa Rica and Grenada felt it necessary to abstain or to be absent from the session.

Why is the anti-Noriega policy of the United States so unappealing everywhere in the hemisphere?

The answer is certainly not the popularity of the General Noriega, whose image in Latin America is that of a "loose cannon" incapable of loyalty to

any cause but his own. Nor is the answer that Latin Americans do not care whether or not Panamanians fulfill their democratic ambitions. The problem is the credibility of the United States — or perhaps the lack of it.

Latin Americans do not believe that a good cause makes American intervention in any country in the hemisphere a "good" intervention. The record of abusive U.S. interventions in Latin America and the power imbalance between the United States and its neighbors give countervailing a very precise legal, diplomatic and political meaning to Latin Americans. We believe that causes such as "democracy" and "freedom" and even economic assistance are often used as pretexts for illegitimate purposes. At best, many Latin Americans believe that intervention, even in a good cause, involves such abuses of power and violations of sovereign rights that it soon becomes an aggression.

No government in Latin America will sanction a president that later could be used against it. Dictators such as Augusto Pinochet in Chile do not want Washington to take up the cause of democracy in their countries. But other leaders with more legitimate concerns defend nonintervention as a matter of principle.

Nothing has contributed more in recent years to promote Latin suspi-

cions than the Reagan administration's unyielding support for the Nicaraguan rebels. The clear objective of contra aid, as Latin Americans see it, is to overthrow a government the United States does not like, but with which it has diplomatic relations. Obviously this is an unacceptable proposition to any poorer, weaker neighbor. Even Latin Americans who do not like the Sandinists and would prefer to see them turned out of power find the American replacement — a rebel force funded and controlled by the CIA — as bad as could be.

Antipathy to revolutionary Nicaragua is in many countries of Central and Latin America does not translate into enthusiasm for the contra cause. Few American commentators have tried to explain why no president, no politician or visible intellectual of Latin America has put himself or herself on the record endorsing contra aid. Many have harshly criticized the Sandinists and prized the internal opposition, but none has spoken in favor of the Nicaraguan rebels. To support them is to endorse CIA-sponsored intervention. No Latin American preoccupied with his or her personal reputation can favor such a policy.

In Latin culture, to trust is to share. But the United States has made no effort whatever to take account of Latin American concerns, ideas and feelings in its policy-making. Instead, the Reagan administration adopted the patronizing view that America knows best what will cure Latin ailments. When the eight most important countries of the region assembled in Contadore to say "no" to contra aid and to propose broad-based negotiations as an alternative to military solutions, or when a long-time friend such as Costa Rica proposed the same thing — the administration ignored them or called them naive. If the U.S. government does not trust our judgment, why should we Latin Americans trust Washington?

U.S. credibility in Latin America will not be rebuilt by theories of "good" intervention. Instead, Washington must shed its chronic derision of Latin American opinion and learn to trust — and to use — the political advice of its neighbors. Today, "good" U.S. intervention in Latin America remains no intervention at all.

The writer, a professor and political commentator in Mexico, is a senior associate at the Carnegie Endowment for International Peace. He contributed this comment to The Washington Post.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: 'Bull Moose' Clan

CHICAGO — The Third Term side

bore more resemblance to an old-fashioned camp-meeting than a political convention. Prayer, song, pistol shots and hysteria on the part of the women delegates gave it the color of religious fervor. Shouts of "Amen" gave any reference to the Big Chief of the "Bull Moose" clan, "Dynamite Ed" Perry, of Oklahoma, was as moved on one occasion on [Aug. 5] that he climbed into the handstand in the balcony and beat time with shots from a six-shooter. Song books are being distributed to the spectators, and song is the prime feature of entertainment. The favorite hymn is the old Salvation Army tune "Follow, Follow, I Will Follow Jesus." The "Bull Moose" version runs as follows: "Follow, Follow, I Will Follow Roosevelt; anywhere he leads me, I will follow him."

Convenient 'Peace Plan' Won't Work

By Tom Wicker

NEW YORK — If Ronald Reagan is serious about his new "peace plan" for Nicaragua, he must think its Sandinist government can be intimidated into giving up its independence, its power and its Marxist world view. If, as is more likely, Mr. Reagan's plan is just a ploy to win votes for renewed military aid to the CIA-organized and CIA-controlled contras in Nicaragua, a Congress burned once too often should be able to see right through it.

Either way, as President Lyndon Johnson used to say of losing propositions, "That dog won't hunt."

The plan, drafted for the administration by a Democrat, Jim Wright of Texas, the House speaker, calls for an immediate cease fire, followed by the cessation of aid to either side from the United States, Cuba and the Soviet Union, and the acceptance of "democratic reforms" by the Sandinists before Sept. 30. A regional settlement and a national reconciliation plan for Nicaragua then would be worked out by the United States and the Central American governments.

Mr. Wright apparently regards this as something like a last chance for a peaceful settlement. But there are good reasons for other members of Congress to suspect that the White House adopted the plan as a vote-getting device — believing, that is, that if the Sandinists don't accept, Congress would be more likely to approve renewed aid to the contras.

Some members won't have forgotten, however, that Mr. Reagan has been at least as reluctant a negotiator as anyone in Managua. He found reason to reject various peace plans put forward by the Contadora nations, and he rejected a Costa Rican proposal somewhat similar to Mr. Wright's. Members also will realize as Senator Dale Bumpers, Democrat of Arkansas, has pointed out, that it's "unrealistic" to believe that such a complicated, high-stakes scheme could be negotiated before Sept. 30; and that this early deadline means also that the administration would not have to sacrifice much aid to the contras before then. Nor will it be lost on anyone that the new proposal conveniently arrives just before the present program of contra aid expires.

convenient
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In a Land Without 'Glue,' Glasnost Won't Stick Long

By George F. Will

WASHINGTON — Putting, as doiente demands, the best face on Soviet behavior, we can say that *glasnost* has glitches as current troubles with the Tatars show. But the truth is, those troubles are only the most recent recurrence of a perennial Soviet problem — the "nationalities question" — that sets a severe limit on the scope of openness.

Tatar leaders were expelled recently from Moscow, where a few hundred of their kinsmen were demanding that their homeland in the Crimean peninsula be recognized as autonomous. In 1944, 250,000 Tatars were deported to central Asia — perhaps 100,000 died — as punishment for alleged collaboration with the German invaders. The Kremlin's disproportionate response to the recent protest included accusations that U.S. diplomats had worked "to inspire nationalistic manifestations." Understandably, such manifestations rank high on a long list of "antisocial actions."

The Soviet Union is run by a minority, the Russians, that is declining numerically relative to many of the Soviet Union's other captive nationalities. Like most such minorities that govern resentful groups, the Russians are regarded as arrogant. They do indeed despise many other ethnic groups, including the Tatars, as being "Asian."

Soviet leaders often denounce this attitude. On Oct. 6, 1922, Lenin was too troubled by a toothache to attend a Central Committee meeting, but he sent a note: "I declare war to the death on Great-Russian Chauvinism. I shall eat it with all my healthy teeth as soon as I get rid of this damned tooth." He promised that the presidency of a crucial body "should go in turn to a Russian, an Ukrainian, a Georgian, and so forth." But it would take more than 100 "and so forth" to cover all the unmentionable ethnic groups scattered across the Soviet Union's 11 time zones.

Besides, the essence of the Soviet state was and is "democratic centralism" — control by a party organized from above and run from the political center, Mos-

cow. This principle is incompatible with local autonomy, but the pretense is otherwise. In New York in 1960, Khrushchev said: "The Soviet regime guarantees to all national minorities an unabridged right of secession, and the fact that no minority has exercised that right proves that no minority is aggrieved. (In the late 1940s some people in Mongolia were just learning that the 1917 revolution had brought them into the Socialist motherland.)

There are today three kinds of nations. One nation, the United States, is defined by ascent to political principles of universal validity. Most nations are of a second kind. They evolved organically from the coalescence of religious, linguistic and cultural affinities. Then there are nations that are not really nations. They are aggregations of unconcerned groups harnessed and held together by force. Yugoslavia and some African nations are in this category, as is the Soviet Union.

The United States is uniquely a nation, in Lincoln's precise phrase, "dedicated to a proposition." To become, say, truly British, is a complex and protracted process. Diverse millions of immigrants have become full-fledged Americans in a morning, by assenting to its proposition.

The Soviet regime fancies itself like the United States, founded on clear principles universally convincing to minds unclouded by ignorance. But Marxism is everything refuted by reality. Marxism is a 19th century pseudoscience that claims to lay bare the inner dynamic of history, a dynamic driven by economic conflict that changes with modes of production. Marxism, a "science" of conflict, can not accommodate the most striking fact of the late 20th century, the fact that ethnic assertion, not class struggle, is a prevalent form of conflict, from Mecca to Moscow.

But, then, the hope of communist universality — "Workers of the World Unite!" — collapsed in August 1914, when socialists in the German Reichstag voted for credit to finance the war that was beginning. The solidarity of the international working class was a fiction. The particularities of life, the traditional affinities that are the glue of nations, were more powerful, more real than the categories spun by Karl Marx in the reading room of the British Museum.

The absence of such glue, the presence of powerful centrifugal forces within the Soviet Union, and the fact that the regime's substitute for cultural homogeneity is a bankrupt ideology — all these factors mean that the Soviet regime can never be more than an occupying power sustained by force. Thus, *glasnost* can never be more than a carefully controlled Kremlin tactic to confuse the West and motivate Soviet masses with a tantalizing mirage of freedom just over a forever receding horizon.

— Washington Post Writers Group.

Kazakh, Latvian, Tatar

RED Square demonstrations by Crimean Tatars for correction of the injustice done them have brought two things to the world's attention. First, they recalled Stalin's crimes against the smaller peoples of the Soviet Union; second, they showed that Moscow's claim to a successful solution to the nationality problem, for decades endlessly repeated, is nothing more than self-deception. The Tatars' protest comes only a few months after the violent suppression of a Kazakh revolt in Alma-Ata against Russian colonial policy, and after last month's freedom demonstration in Riga by young Latvians.

— *New Zürcher Zeitung* (Zurich).



LETTERS TO THE EDITOR

About War, Past and Future

Thank you for printing Michael Norman's article "Listening to Hem Testify, the Colonels Frightened Me" (July 28). It touched me in a very special way, for reasons having to do with my family.

Mr. Norman's article talks about World War I and Vietnam. ("Only some of the survivors are easy to read: Those who have seen too much combat and those who have not seen enough. The former shrank in mental words or seek the quiet of the woods... Men who have not seen enough combat, on the other hand, come home belligerent.") "M*A*S*H" was about Korea. I have written about World War II. All of these writings are about Enigma — the decoding machine... which gave the Allies access to German secrets during the war. He did not even tell President Franklin Roosevelt."

As an American civilian and soldier, cleared for "top secret ultra," I worked on breaking Enigma traffic during most of World War II. We had full liaison with the British cryptanalysts at Bletchley.

Enigma was not a decoding machine. It was a machine used to encipher and decipher message texts, including texts which had been encoded prior to enciphering. Having the machine did not give us access. Breaking the system did.

L. BODMER, Zollikon, Switzerland.

If a man of Professor Hutchinson's knowledge of the world cannot distinguish between wartime deception against a shooting enemy and the same things practiced in peacetime by one part of a government against another, and against its electorate, we really are in trouble.

RICHARD SAUNDERS, Paris.

Professor Hutchinson writes, "Winston Churchill never told Parliament

about Enigma — the decoding machine... which gave the Allies access to German secrets during the war. He did not even tell President Franklin Roosevelt."

Jeanette Huber, Amsterdam.

Regarding "If Anything North Deserves a Medal" (July 28) by John Hutchinson:

Equating Oliver North's lying to Congress with the allies' lying to Hitler in World War II is a rather unexpected proposition. I wonder if Congress is flattened to be compared to the Third Reich?

E. ERNST GOLDSTEIN, Villars-sur-Ollon, Switzerland.

Give It Back to the Moors

No one of your correspondence on the Gibraltar dispute mentions that Spain has foreign territories: the enclaves of Ceuta and Melilla in Morocco, and Llivia in France. To sort out this muddle, why not return the Iberian Peninsula to the Moors, who were expelled after the capture of Granada in 1492?

SIMON FOWLER, Estepona, Spain.

Mr. Hutchinson pieces; they illuminate each other. As the Dutch say, "Success!" to you and to Mr. Norman and his coming book about 12 Marine Corps comrades from Vietnam.

Jeanette Huber, Amsterdam.

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U.S. Has Marine Anti-Terror Force Ready

By Richard Halloran
New York Times Service

WASHINGTON — Over the last two years, the U.S. Marine Corps has quietly trained amphibious battalions that can be deployed overseas to mount commando raids, evacuate American diplomats from besieged embassies and help rescue hostages captured by terrorists.

The new tasks for the Marines, whose primary mission has long been to seize and hold beachheads, have enhanced the overall ability of the armed forces to conduct what are known as special operations, or unconventional warfare, according to military experts.

Marine officers said one of the newly trained amphibious units of 2,000 marines is aboard ship in the Arabian Sea and is ready to carry out a strike by helicopter or landing craft within six hours of receiving an order. This is the first such deployment in that region, the officers said.

They said that in the current state of tension in the Gulf, it is necessary to be prepared to go ashore to defend installations,

evacuate diplomats or help rescue hostages.

The officers gave no indication that any operations had been planned or considered, noting only that the presence of the Marine amphibious unit made such a mission possible.

"Everybody who goes over there is on the cutting edge," one officer said.

Among the other forces trained for special operations are the army's Rangers, who mount raids by parachute; the Green Berets, or Special Forces, who train for guerrilla warfare and counterinsurgency operations; and the secret Delta unit that specializes in rescuing hostages. For a hostage rescue the new Marine units would normally be used to secure a perimeter for rescues undertaken by the Delta unit.

The navy's Seals — the acronym stands for sea-air-land — are trained for waterborne strikes and reconnaissance and have several sailors on duty with the Marine amphibious units. The air force's Special Operations Wing has been trained for infiltration, for slipping

personnel out of harm's way and for aerial supply missions.

The Marine Corps, in response to a directive from the Defense Department in 1984, decided to train existing Marine amphibious units in special operations rather than set up separate units for such tasks.

"We had to overcome a mindset," an officer said, referring to the longstanding reliance of the Marines on head-on attack to overcome an enemy by sheer power. The new training has emphasized swift planning, operations launched from ships over the horizon and operations at night in adverse weather and with communications and radar blocked out.

With two Marine amphibious units afloat at any given time, usually one in the Mediterranean and the other in the Pacific, the officers said, they could often be the closest available units for a special operation ordered from Washington.

Each unit is trained in variations of the amphibious raid, including reinforcing guards at a U.S. embassy, evacuating American citizens from a troubled area and recovering downed pilots.

The unit now in the Arabian Sea,

Marine Amphibious Unit 24, could strike targets either on a coast or inland. To reach an inland target, refueled helicopters would be transported by other helicopters or cargo planes, as were the troop-carrying helicopters used in the aborted rescue of American hostages in Tehran in 1980.

Marine amphibious units are heavily armed, giving a raiding team a sizable arsenal from which to draw. The units are armed with eight artillery howitzers that can be transported by helicopter, 30 machine guns, 40 anti-tank weapons and five tanks. They also have 19 troop and cargo helicopters, four attack helicopters and five anti-aircraft teams armed with Stinger shoulder-fired missiles.

The Marines have practiced unconventional operations in several countries, always with the approval of the governments involved. The operations included a raid in Spain, a recovery operation in Morocco, an airfield seizure and hostage rescue in Italy, aerial refueling in Sarinaria, the evacuation of Americans in Tunisia and a long-range raid with a refueling operation in France.

The United States exports a variety of goods to Iran, including food, beverages, tobacco, mineral fuels, chemicals, machinery, telecommunications equipment, electronic components, heating and cooling equipment, fertilizer and medical supplies.

Imports from Iran include crude oil, carpets, pistachios, caviar, furs and skins, and saffron and spices.

■ Paris May Reject Iran Oil

France has urged its oil companies to stop buying Iranian crude oil. Industry Minister Alain Madelin announced Thursday, confirming a rumor that had been widespread for a week. The Associated Press reported from Paris.

"I don't think he knows what he

U.S. Moving To Tighten Iran Trade

New York Times Service

WASHINGTON — In an effort to further isolate Iran, the Reagan administration is moving toward more severe restrictions on trade with that country, according to State Department officials.

Last year trade totaled \$34 million in exports to Iran and \$612 million in imports from Iran.

A senior State Department official was expected to recommend new restrictions on trade with Iran at an interagency policy review meeting on Thursday. He is arguing in favor of controls on nonmilitary items that could be converted to military use, including various communications equipment, scuba diving gear, boating and medical equipment, fertilizer and medical supplies.

Prince Reza Pahlavi, the son of the late shah of Iran, announced a campaign Thursday to unite opposition to the Islamic Republic of Ayatollah Ruhollah Khomeini, saying he hoped to restore a constitutional monarchy.

Prince Reza, 26, said at a news conference in the Paris apartment of his aunt, Princess Ashraf Pahlavi, that he had played a low-key role in the eight years since the revolution that overthrew his father, Mohammed Reza Pahlavi.

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International Herald Tribune

WEEKEND

CRITICS' CHOICE

EDINBURGH

E Pluribus Unum

The Edinburgh Festival (Aug. 9-31) is the usual cornucopia of the arts, with a heavy representation from the Soviet Union, a celebration of George Gershwin (including a concert performance of "Girl Crazy") on the 50th anniversary of his death, a survey of two centuries of the string quartet, and for the first time a resident orchestra — the Pittsburgh Symphony under Lorin Maazel and Michael Tilson Thomas. The festival's second World Theater Season brings the Gorky Theater of Leningrad, the Gate of Dublin, the Rauh Raum Theater of Peking, New Guinea, the Tbilisi State Puppet Theater, the Berlin Ensemble, the Cameri Theater of Tel Aviv, the Yume no yuminsha company from Japan, the Royal Exchange of Manchester, and some of the festival's own productions. Dance offers the Ballet Théâtre Français with a homage to the Diaghilev Ballets Russes, folk dances from the north of Russia, and a company from China with "The Soul of the Terracotta Army." Opera comes from Stockholm, Frankfurt and Helsinki. The Bolshoi Opera orchestra and the Scottish Chamber and National orchestras are among those joining the Pittsburghers, who will not only perform but train students and players in the region. The Melos Quartet of Stuttgart will do a Beethoven cycle, the Shostakovich Quartet plays the music of its namesake and other Russians, and the Arditti Quartet and others present the contemporary scene. Exhibitions include New Scottish Art, "A Celebration of Mary, Queen of Scots," David Salle and much more, and that does not even touch on the vast Fringe program.

HILDESHEIM

Treasures of the New Kingdom

Under the title "Ägyptens Aufstieg zur Weltmacht" (Egypt's Rise to World Power), the Roemer-Pelizaeus Museum — which itself has one of West Germany's richest collections of Egyptian antiquities — has mounted an exhibition of archaeological treasures from the period of the early New Kingdom (1550-1400 B.C.). Included are more than 300 exhibits from museums in Cairo, Paris, New York, East Berlin and elsewhere, as well as scale copies of tomb paintings. Running concurrently is a show of about 50 oils, lithographs and other works by the contemporary Egyptian artist and Egyptologist, Abdel Ghaffar Shehid, who incorporates images from ancient Egypt in his work. The shows run to Nov. 29.

LUCERNE

An Eclectic Musical Feast

The Lucerne Festival (Aug. 15-Sept. 9) is one of the old established firms in the festival business, and one of the few to depend mainly on concerts rather than theater. The programs take due note of anniversaries, among them the 50th of the deaths of Ravel, Roussel and Gershwin, including an exhibition that emphasizes the Swiss connections of Maurice Ravel and Albert Roussel. Music of 20th-century American composers is liberally represented, beginning with Aaron Copland in the opening concerts. Leonard Bernstein is represented by his "Chichester Psalms," then he turns up in the flesh conducting the Vienna Philharmonic in Mahler, Sibelius and his own "Jeremiah" Symphony, and other programs offer works by Charles Ives, Elliott Carter, George Rochberg, Irving Fine, Samuel Barber, Roger Sessions and Gunther Schuller. The Municipal Theater has a production (in German, of course) of Arthur Miller's "Death of a Salesman." Exhibitions include Augusto Giacometti (1877-1947), a Swiss pioneer of abstract art and a major figure in the Symbolist movement, and the American photographer T.E. David Plowden. Both run until Sept. 20.

NEW YORK

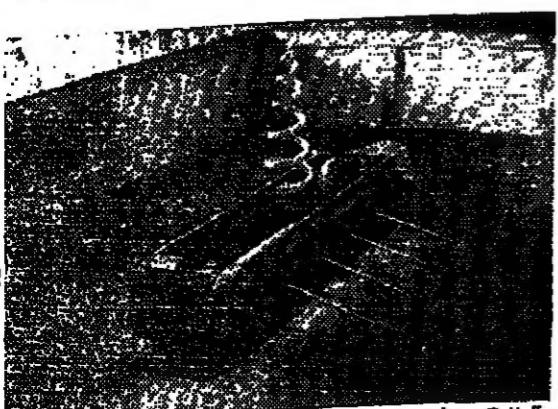
Festival Latino

The 11th Festival Latino — the biggest Latin American cultural event in the United States and one of the most important showcases anywhere for Latin talent — runs through Aug. 23 with Latin American, Spanish and Hispanic-American theater, films and music at the Public Theater on Lafayette Street, the open-air Delacorte Theater in Central Park and the Metropolitan Opera on upper Broadway. Stage presentations, most with simultaneous interpretations in English through headphones, are at the Public. So is the Tribute to Argentine Cinema, spanning four decades of one of South America's most influential film centers. A movie festival at the Metropolitan offers works from nine Latin American countries, all subtitled in English. Fifty hours of Spanish- and Portuguese-language television programs will be shown over local cable TV. (NYT)

PARIS

Oldenburg's Swiss Army Boat

Claes Oldenburg's 78-foot-long boat (24 meters) in the shape of a Swiss Army knife has docked in the center pit of the Pompidou Center. Oldenburg, the man who gave Chicago its giant baseball bat sculpture, devised the craft, which has four oars on each side, two blades that open and a corkscrew that serves as a mast, for a happening in Venice two years ago, and it has been floating around museums since. The boat originally was part of a three-person event called "Il Corso del Cottolino," with Coosje Van Bruggen and Frank O. Gehry. An exhibition in one of the Pompidou galleries shows costumes, sets and other objects associated with the performance. The Pompidou port call lasts through Oct. 5.



A Gold Mine Of Inca History

A manuscript believed lost for 380 years contains details about the empire that are likely to cause a significant reappraisal of the era.

by Barry James

WHEN Francisco Pizarro and his tiny band of *Conquistadores* marched into Peru and seized control of their empire, the defeated Incas, who had no written language of their own, had few friends to tell their side of the story.

One who did was Juan de Betanzos, a Spaniard from Valladolid who lived among the Inca nobles and compiled a detailed account of their history, legends, laws and customs. But Betanzos' manuscript disappeared 380 years ago, and only a fragment remained to intrigue historians.

Now, by chance, the complete document has reappeared. It was discovered in a private library in Palma de Mallorca by Mari Carmen Martin Rubio, professor of American history at the Complutense University in Madrid. She said the manuscript contains details about the Inca empire and the first years of the Spanish conquest that are likely to cause a significant reappraisal of the period.

"It is a version like no other," she said in a telephone interview.

Betanzos learned Quechua, the Inca language, and married a princess, Kusi Rimay Ocello. She had been destined to become the principal wife of Atahualpa, the last of the Inca emperors, but instead it is believed she became the mistress of Pizarro and had two children before marrying Betanzos. His marriage gave Betanzos access to the educated class of Inca nobles responsible for the collective memory of their race.

These were the *quipu camayoc*, the official interpreters of the *quipu*, a device of knotted, varicolored cords that was used as an aid in reciting narratives, histories and genealogies. The Incas controlled an empire they called Tawantinsuyu stretching from modern Ecuador to southern Chile, the distance from Paris to Moscow.

"Betanzos lived in the Inca court and was sympathetic toward the nobles," Martin Rubio said. "He had a great respect and admiration for everything that inspired their culture."

He injected little of himself into the account, other than to lament the killing of Atahualpa and the destruction of the buildings at Cuzco. He generally remained behind the scenes, preferring to let the Incas tell their story in their own words. "His account is very impartial," Martin Rubio said. "That is one of the reasons it is so valuable."

Most other accounts from that period were by Spaniards about Spaniards, she said. Even the Inca historian, El Inca Garcilaso de la Vega, was writing from a Hispanized point of view. He was the son of a Spanish nobleman and an Inca princess and spent much of his life in Spain. Pizarro's invasion already had taken place by the time he was born, and part of his sweeping history of Peru is based on secondary sources. Betanzos, however, was with the invasion from the start, and he relies entirely on the *quipu camayoc*.



Copy of a page from the 16th-century manuscript found by historian Maria del Carmen Martin Rubio, above.

Betanzos went to the primary sources and his chronicles differ substantially from the others," Martin Rubio said. "I think his is probably the more accurate."

The manuscript was written about 1551 on the orders of the viceroy, Antonio de Mendoza, who wanted to find out more about the ancient society the Spanish administration was taking over. It was sent back to Spain, and the original was last heard of in 1607 in a mention by Gregorio Garcia, a Dominican priest who wrote a catechism for the Incas.

A copy of the first 18 chapters detailing the formation of Cuzco and its government was conserved in the library of the monastery of El Escorial near Madrid. This provided valuable material for W.H. Prescott's highly readable but romanticized 19th-century "History of the Conquest of Peru." Like most historians of the period, Martin Rubio was convinced the rest of the document had been destroyed. Some time ago, a friend sent her a clipping from a local newspaper that said a copy of Betanzos' book was in the library of the Bartolomé March foundation in Palma de Mallorca. She thought little of it, assuming

the clipping referred to a copy of the 18 chapters already known.

Nevertheless, she flew to Palma three months ago, saw the manuscript, and immediately realized she had stumbled onto something big.

Martin Rubio says there is no doubt the manuscript is genuine. The parchment dates from the 16th century, and the syntax, spelling and cramped, italic form of Castilian are all from that period. The 120-page manuscript contains all 82 original chapters.

Part one is the fragment already known. Part two describes the laws and social program of Pachacuti Inca Yupanqui, a great reformer among the Incas. The third part details the war between Atahualpa and his brother, Huáscar, for the throne of Cuzco; the death of Atahualpa, whom the *Conquistadores* strangled after he delivered a "king's ransom" of gold; and a subsequent revolt by the Inca leader Manco Capac.

Martin Rubio says the manuscript presents a hitherto unknown view of Pizarro and the Spaniards, whom the Incas regarded as strange, corpulent beings hidden top to toe behind beards, heavy layers of clothes and boots. It describes a well-organized au-

- **Sculpture in Berlin**
- **A Question of Sound**
- **American Actors Abroad**

thoritarian Inca society in which the subjects were tightly controlled, but at the same time provided with comprehensive social security. "In some ways, the Incas reached a level we have to envy," Martin Rubio said.

"There is a huge quantity of detail, minutely told," she said.

The historian has prepared the manuscript for publication in Spain in two months using her knowledge of paleography to transcribe it into modern Spanish. "But I kept the original flavor," she added.

The *quipu camayoc* spent four years learning Quechua, then the language of the Inca nobility, religion, the interpretation of the *quipu* and the history of their race. But Spanish bureaucracy and religion replaced the benign tyranny and theocracy of the Incas. The written word replaced oral tradition and the official memorizers faded away. Betanzos copied down their swansong. It was his, too, for nothing more is known of him.

It appears the manuscript may have been in the possession of the Dukes of Medinaceli since its disappearance. The March Foundation acquired the Medinaceli library 20 years ago.

Bernstein, Boulanger: The Rite of Fontainebleau

by David Stevens

PARIS — A couple of weeks ago the Salle Pleyel was packed for a concert by the Orchestre de Paris, which is a considerable tribute to the drawing power of Leonard Bernstein, keeping in mind that by late July many Parisian *mélomanes* have headed south and that by Bernstein standards he was making only a one-shot cameo appearance — coming on after the intermission to wind up the concert with one of his warhorses, Stravinsky's "Rite of Spring."

But what this concert was really all about took place before the intermission, when three students of the conducting seminar at the Conservatoire Américain in Fontainebleau took their turns on the podium leading the orchestra in major works from the concert repertory. Bernstein, whose passion and genius for teaching are not less than for other aspects of his art, had spent four days working with the seminar students and the school's 46-piece orchestra in the Jeu de Paume of the Fontainebleau palace. Then he picked three of the 10 students to join him on the stage of the Salle Pleyel.

The three he picked reflected the mix of nationalities among the conservatoire's students, for although the school was founded as a French school for Americans, it has long since ceased to have an exclusively American student body. Italy Tagliani, a 29-year-old Israeli, took the orchestra through a neat reading of Prokofiev's "Classical" Symphony. Jean-Marc Burstin, a newly minted *premier prix* in conducting from the Conservatoire de Paris, had the toughest job — Copland's "Billy the Kid" suite. He did not quite get the Paris orchestra to sound idiomatic, but then Copland himself has had that trouble with French orchestras. ("A week ago he didn't know anything about 'Billy the Kid,'" Bernstein said with immense satisfaction after the concert.)

The third was a lanky 30-year-old American, Michael Barrett, who has already studied with Bernstein, among others, and has a fair amount of professional experience, all of which showed in the aplomb with which he conducted Ravel's second "Daphnis et Chloé" suite and accepted the ovation he got for it. It was typical of Bernstein — who is a musical chameleon, at home in all idioms — to have a Frenchman conduct Copland and an American do Ravel.

The concert was a benefit for the Ecole d'Art Américaine — the formal name of the conservatoire and its associate Ecole des Beaux-Arts. It also commemorated the 100th anniversary of the birth of Nadia Boulanger, who taught at the conservatoire



Leonard Bernstein with the student conductors.

from the time it was founded in 1921 until her death in 1979 and was its director for the last 30 years of her life. For good measure, this year also is the 50th anniversary of the deaths of two other noted French musicians who were directors of the conservatoire, Maurice Ravel and Charles-Marie Widor.

The purpose of this exercise was, of course, to honor the memory of Nadia Boulanger, but more important, it was a highly visible sign of an effort — under a new director, Jean-Pierre Marty — to redefine the mission of the Conservatoire Américain, 66 years after its creation and eight years after the death

of the woman whose benevolent tyranny ruled the school for so long. □

Cultural exchange was hardly the idea when General John J. Pershing asked Walter Damrosch, the conductor, educator and musical popularizer, to do something about improving the quality of musicians in the American Expeditionary Force. This led to the AEF Bandmasters and Musicians School at Chambon, under the French musician and pedagogue Francis Casadesus, and with an all-French faculty. Casadesus was impressed by "the wonderful influ-

ence that Americans and French have over one another," and he was persuaded that "such natural, pure and agreeable relations" should continue after the hostilities in the form of a summer school at which American students could benefit from the tuition of professors of the Conservatoire de Paris.

With the support of the French government, the prefecture of the Seine-et-Marne department and the town of Fontainebleau, the school was given the use of the Louis XV wing of the palace, while Damrosch continued to collaborate enthusiastically from across the Atlantic.

The target was 1921, although by March of that year Damrosch felt things were not moving quickly enough and tried to persuade Casadesus to delay opening until 1922, when there would be "several hundreds of eager young Americans ready to take advantage of such a splendid opportunity."

Nonetheless, the school was inaugurated on June 26, 1921, in the imposing presence of Camille Saint-Saëns, then 86 and in the last year of his life. The heavyweight faculty included Francis Casadesus, Isidor Philipp for piano, Lucien Capet for violin, Albert Wolff for conducting and, in the younger ranks, a 34-year-old teacher of solfège and harmony, Nadia Boulanger, and an assistant named Robert Casadesus, the 22-year-old nephew of Francis, then at the threshold of his brilliant piano career. (Robert Casadesus was also later director of the conservatoire, and his widow, Guy, was on the faculty this year for master classes in Debussy and Chopin.)

Also present were 85 eager young Americans, some of whom had come with the help of a 25 percent student fare cut by the French. One of them was a 20-year-old from Brooklyn named Aaron Copland.

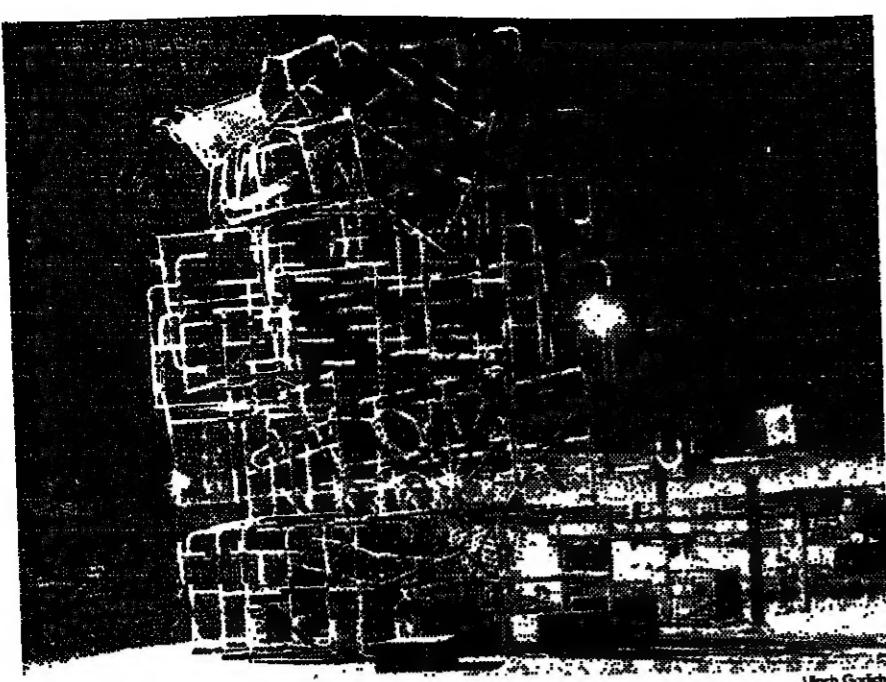
Copland discovered Nadia Boulanger at Fontainebleau and stayed on to study privately with her for three years in Paris, establishing a pattern that would be followed by so many Americans (although not only Americans) that a list of them would include a kind of honor roll of American composers since that time.

Widespread belief to the contrary, Bernstein's name would not be on that list. He did not study with her, but some of his musical education might well have come to him from Boulanger via others, and he certainly revered her for the same reason that Copland gave when he spoke at the school on its 15th anniversary — for "her attitude toward the whole art of music; I have never met anyone to whom music as an art meant so much."

For her part, Nadia Boulanger said she had met Bernstein only after he had finished his studies at Harvard, "but he was one of those pupils who can be taught very little because they have understood every-

Continued on page 9

WEEKEND



Olaf Metzel's "13.4.1981," a day of violence.



Brigitte and Martin Matschinsky-Denninghoff's symbolic "Berlin."

Sculpture Storm On the 'Ku'damm'

by David Galloway

BERLIN — Started eyebrows howled over the rims of coffee cups, and wedges of *Kuchen* hung suspended in midair. From the plush interior of the storied Café Kranzler (also known as "the widows' rendezvous"), the work in progress seemed to threaten the worst. A tower of red-and-white street barriers, cobblestones and a Broddingsnagian supermarket cart rose precariously above the Ku'damm. In Berlin the memory of street riots and demonstrations is evergreen, but here its symbols were more than doubled in size.

The ominous proportions stressed the idea of an anti-monument — not a celebration of heroism but a denunciation of urban violence. With the title "13.4.1981," sculptor Olaf Metzel recalled a day when demonstrations on the Ku'damm ended with hundreds of broken shop windows, capized automobiles and jumbled street furniture. The bloody parade was prompted by a newspaper report (incorrect, it turned out) that an imprisoned terrorist had died on hunger strike.

That a gifted young sculptor who witnessed that event should conceive this "moral assemblage" has an obvious poetic logic. Its placement on a cluttered intersection, on the other hand, denies both poetry and common sense. Berliners nurture a nostalgic image of the "Ku'damm" as a bustling boulevard, but it has long since degenerated into a traffic-clogged architectural jumble punctuated by sex shops and fast-food eateries.

Nonetheless, when the city's culture coordinators deliberated over the current 750th

birthday celebrations, the Ku'damm claimed prominent attention. That Berlin will be Europe's official "cultural capital" in 1988 further encouraged them to think in terms of a major project that could be on view for two years. On paper, at least, the plan seemed commendable: Eight internationally acknowledged sculptors, all resident in Berlin, would be commissioned to produce works for this urban mile. The prominent location, it was argued, would prompt "a fruitful dialogue between artist and public." Instead, and long before the projects were realized, the "Sculpture Boulevard" became the target of indignant protest.

Citizens' groups submitted petitions, bombarded newspapers with irate letters, and demanded a political accounting. The Senate had, after all, approved 1.8 million Deutsche marks (about \$1 million) for the program. Anger ultimately would focus less on Metzel's filigree-like tower than on Wolf Vostell's Cadillacs encrusted in concrete. The Old Master of the Happening tilted one car against the next and entitled the composition "2 Concrete Cadillac in the Form of the Naked Man." The art-historical allusion escaped most motorists caught in the stop-and-go traffic on Rathenauplatz.

When the controversy peaked in early summer, protesters buried Vostell's *Maja* beneath floral bouquets and toilet brushes. The New Berlin Kunstverein, which had given the Sculpture Boulevard aesthetic and administrative guidance, collected the wilted tributes in garbage bags and dumped them before the house of the opposition leader. Art watchers fantasized over possible responses to the single project not realized for the Ku'damm. Edward and Nancy Kienholz had hoped to install two construc-

tions halfway into the world of opera to begin with and in a similar way, the City Opera finds itself balancing its big performing space (2,800 seats), its florid operatic voices and its full-blown pit orchestra against the subtleties of Sondheim's lyrics.

Whether Berliners would have accepted the aerial ode to a divided city is dubious. More likely, the celebrated local humor would have coined Safer Sex metaphors. Even without the condom conundrum, urban functionaries met the barrage with wavering tactics. Some argued that provocation, not communication, had been sought from the beginning. Others, including Mayor Eberhard Diepgen, denounced the entire project. Appearing as celebrity guest on West Germany's most popular quiz show, he solemnly assured viewers that further "spectacles" of the sort would not be permitted during his term of office.

Overlooked in the squabbles was the sovereign authority of Vostell's provocative work that even harried communists may come to acknowledge. (It is to remain as a permanent installation.) This is to be sure, the last in a lengthy series of mummified automobiles that Vostell has dotted across the European continent. If self-quotations has limits, it can also radiate as here, a persuasive air of conviction. Metzel's barricade-tower is also a work of genuine poetic power. Unhappily, its street-wise idiom is overwhelmed by the urban babble of the setting.

Few works, indeed, can compete with this polyglot environment. Conceptually, one of the best projects is Frank Dornseif's mammoth pedestal, on which earlier generations might have posed a triumphant bronze general. Here there is only a bare armature, casting its shadow as a metal silhouette set into the pavement. From such ironic shadow

theater, Dornseif has evolved a highly personal style, but it requires intimacy to reveal its full power.

Similarly, the playful elegance of an aerodynamic mobile by George Rickey, positioned before the half-ruined Memorial Church, seems dissipated. Those who admire Rickey's achievements are better advised to visit the nearby Pels-Lausden Gallery, which is staging an impressive homage to his 80th birthday. (Rickey's works are on view at 25 Fasanenstrasse through August.)

Among the few sculptures to establish

their own space and identity on Ku'damm is "Berlin" — a four-part ensemble by Brigitte and Martin Matschinsky-Denninghoff. Like twisted branches, the quartet of chromium steel forms reaches upward to seek connection. As a symbol of a divided city who fate is indivisible, the composition has not surprisingly, found a generally positive echo.

On balance, however, the Sculpture Boulevard is the sort of project that gives public

a bad name.

Luckily, Minister's immensely successful

show of public sculptures (and a more modest variation in Essen) help redress the balance. For a total budget of 1.5 million marks (\$900,000 in official support, 600,000 in donations), more than 50 international artists realized works for sites of their own choosing. The result is a genuine dialogue between the artist and the urban environment. For 1.8 million marks, Berlin might have achieved considerably more than an interruption of a *Kaffeeklatsch* at the Café Kranzler.

David Galloway is a writer and professor based in West Germany.

To Amplify or Not To Amplify, That Is Theater's Question

by Bernard Holland

NEW YORK — Electrical amplification in the theater has infected Broadway, and some fear it is stalking the opera house as well.

For the New York City Opera, it is a problem of communication. In the company's "straight" opera performances, there is not a microphone to be found, but the house's musical and operetta productions have to put communication where the mouth is. There are no projected titles, no Italian or French to hide behind. The current run of Stephen Sondheim's "Sweeney Todd" serves

to illustrate.

Sondheim's 1979 Broadway success ventures halfway into the world of opera to begin with and in a similar way, the City Opera finds itself balancing its big performing space (2,800 seats), its florid operatic voices and its full-blown pit orchestra against the subtleties of Sondheim's lyrics.

The house's response is again a compromise. Its orchestra is not amplified but everything on stage is. Seven microphones have been placed along the footlights with six more scattered and concealed around the stage. High in the balcony Robert Eiter sits at a console and twiddles the dials that raise and lower the singers' ability to compete with the orchestra in front of and below them. Broadway orchestra pits usually are covered by the City Opera's is not. This production, moreover, has decided against the house mikes that are favored on Broadway.

These tiny, radio-like devices attached to the performer, the City Opera feels, are compromised by rustling costumes and create annual confusion in duets. Beverly Sills, the house's general director, has insisted in the past that when speaking parts are finished and the music starts, the engineer will pull the volume way down.

The directional problem — tricking the listener into associating a voice from a loudspeaker with the performer's position on stage — is handled according to the Hiss effect, says Eiter, speaking of the physicist who first exploited it.

"There are two sources of sound in the theater here," he explained at a dress rehearsal. "One comes out of the performer's mouth, the other from the speakers. The brain tends to associate direction from the sound it hears first, so if you delay the amplified sound — say 18 milliseconds — the ear directs the eye to what it heard first." The effect can be modified and graduated by changing the delay.

"It doesn't totally solve the problem," said Eiter. "There is a point of diminishing returns, where too much delay turns into an echo, and this is a very wide theater."

A look at two of Broadway's current shows

shows that amplification and its aims aren't necessarily the same for every show.

At "Les Misérables," the Tony Award-winning musical, some would hope that clarification is a better term than amplification for this production's "loud" sound. Loudspeakers bloat and scramble musical values "no matter where they are used," but many people would point out that "Les Misérables" is first of all a literate show in which words are everything, where diction is explicitly projected and everything else is secondary. Some would also suggest — and some might dispute — that Claude-Michel Schönberg's score is created not to stand on its own feet but to serve the stage, something it does admirably, and we are less worried when it is distorted in the process. The music, in other words, always enhances the never dominates.

In "Straight Express," on the other hand, amplification takes on an "artistic" mission: all its own, to create a wall of sound for sound's sake that ruses out at the listeners and knocks them flat. Nicely such a function is held to a minimum in this hard-sell approach. For ears used to the concert hall, the amplification at the theater creates an almost traumatic effect. Therefore, it really doesn't matter if Andrew Lloyd Webber's music — as some critics have suggested — is vacuous or not. Here it seems simply the fuel to fire up an aggressive sound system.

Paul Gemignani, the Broadway conductor who also is the musical head of City Opera's "Sweeney Todd," is not happy about amplification anywhere.

"Natural sound is what it should be," he said, "and I think people are wrong to blame the whole problem on Broadway performers who don't know how to sing and project. It's the audience, not the players, who have become lazy. People just aren't used to listening carefully anymore. They expect everything to be brought to them."

At the City Opera, Gemignani has the added problem of adjusting the brilliance of Jonathan Tunick's orchestrations, written with a closed pit in mind, to the open air roundings at the New York State Theater. He particularly dislikes amplified orchestras on Broadway, which he says deny him musical nuances. Sondheim's new "Love, Love, Love," "In the Woods," Gemignani reported, will "start with natural sound" and take the concept as far as possible.

Sondheim, who showed up for last Tuesday's rehearsals, took a free moment to remember his youth of balcony-perching with Hal Prince, now the director, in Broadway's pre-electronic era. "Hal likes to remind me of the way we had to lean way forward in order to understand the words," Sondheim said. "We had to work to listen. You don't anymore, and this is amplification's whole legacy."

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UNITED STATES

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•Museum of Modern Art (tel: 783-3400).

— To Sept. 8: Berlinist (1961-77). Works by both German and foreign artists working in Berlin over the past 25 years.

•Studio Museum in Harlem (tel: 864-4500).

— To Aug. 30: Harlem Renaissance: Art of Black America, a historical exhibition that features 200 paintings, sculptures, woodcuts and photographs and concentrates on Harlem in the 1920s.

•National Gallery (tel: 737-4215).

— To Sept. 7: American Drawings and Watercolors of the 20th Century displays works from the Whitney Museum of American Art.

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ACTUALLY, I THOUGHT BEING FAST IN THE LEADS...

BY BOB MORSE

INTERNATIONAL ARTS GUIDE

ENGLAND

LONDON:

•Barbican Centre (tel: 638-4141).

— To Oct. 18: "The Image of London: views of London from 1950-1918 by artists foreign to the British Isles, including Rembrandt, Canaletto, Pissarro, Whistler, Monet.

•British Museum (tel: 636-15.55)

— To Sept. 20: Ceramic Art of the Italian Renaissance.

•Hayward Gallery (tel: 928-57.08)

— To Sept. 27: 140 drawings by French Surrealist artist André Masson done between 1922-1974.

— To Sept. 27: Gilbert and George Pictures 1982-1986.

•Tate Gallery (tel: 821-13.13)

— To Aug. 31: Retrospective of American Abstract Expressionist Mark Rothko (1903-1970) including about one hundred oils, acrylics and watercolors.

•National Maritime Museum, Greenwich (tel: 855-4422).

— To Sept. 18: Australia 200: historical materials focus on the sailing of the first fleet to Australia in May 1787.

•Whitechapel Art Gallery (tel: 377-01.07)

— To Sept. 6: A major exhibition of American-born sculptor Sir Jacob Epstein (1880-1959).

•Victoria and Albert Museum (tel: 589.63.71)

— To Sept. 13: An exhibition of the design work of Finnish architect Alvar Aalto.

•Royal Academy of Arts (tel: 734.90.52)

— To Oct. 25: Master Drawings from the Ian Woodner Collection. Over 100 drawings from the early Renaissance to the Impressionists.

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WEEKEND

Foreign Filmmakers Turn to American Performers

by Annette Insdorf

ALTHOUGH there is nothing new about American actors starring in foreign directors' films — from Marlon Brando in Bernardo Bertolucci's "Last Tango in Paris" to William Hurt in Hector Babenco's "Kiss of the Spider Woman" — the phenomenon is assuming ever-larger proportions. For economic as well as artistic reasons, directors from abroad making English-language movies want to work with American performers; similarly, actors from the United States are attracted to the challenging projects that Hollywood doesn't seem to be offering. Perhaps Hurt's Academy Award (and Cannes Film Festival prize) for best actor sent an important signal to his colleagues, namely that a South American director could shape brilliant characterization as skillfully as an American.

"Good Morning, Babylon" and "Un homme amoureux" ("A Man in Love") are two examples of this growing internationalization. Both are English-language films shot in Europe by acclaimed foreign directors — the Taviani brothers ("Padre, Padron") and Diane Kurys ("Entre Nous") — and mainly starring American actors.

The trend continues with "Deadline," directed by the Israeli Natanial Gurman and starring Christopher Walken as a cynical American reporter confronted by war-torn Beirut. And John Shea — whose credits include Costa-Gavras's "Missing" — co-stars with Kelly McGillis in another upcoming English-language Israeli film, "Dreamers."

Both "Good Morning, Babylon" and "Un homme amoureux" met with mixed critical response when they premiered at the Cannes Film Festival, but the acting was lauded across the board. European audiences discovered Peter Coyote and Peter Riegert in Diane Kurys's first English-language film and Joaquim de Almeida and Vincent Spano in Paolo and Vittorio Taviani's first non-Italian effort. (Great Scacchi, incidentally, appears in both.)

The Taviani brothers chronicle the experiences of two Italian brothers who come to the United States and work for D.W. Griffith, designing the Babylon sets for his epic film "Intolerance." In "Un homme amoureux" also set in the world of filmmaking, a famous — and married — American actor (Peter Coyote) falls in love with a bit player (Scacchi) while making a movie about the Italian writer Cesare Pavese. Kurys follows multiple relationships that include the actor's to his buddy (Peter Riegert), and the actress's to her dying mother (Claudia Cardinale).

The four United States-based actors offered a wide range of observations on the reasons for this internationalization, as well as on the differences between making films abroad and at home. Riegert — who holds something of a record, having starred in "Local Hero" for the Scottish Bill Forsyth, "Le Grand Carnaval" for the French Alex-



William Hurt, left, and Raul Julia in "Kiss of the Spider Woman."

andre Arcady and the upcoming "Stranger" for the Argentine Adolfo Aristarain — said that "with foreign directors, there's more playfulness, more fun, with the making of the movie. While there's still a lot of pressure to do well, the economic pressure is not as great."

"The stories are different," added the New York-based actor, "much less in search of the widest demographics. And they are cast according to the particular story rather than for publicity purposes. Diane — much like Bill and Adolfo — is very open to pushing what's at stake in a scene. They're not limited by the text — they're inspired by it. They have an innate understanding of how things change."

Riegert, who is currently starring on Broadway in "The Nerd," stressed the "more human scale" of foreign films.

"It's an economic phenomenon," the 40-year-old actor continued, "paralleled by the independent film movement in the States. There are enough people wanting to do things — whether writers, directors or actors — and there's not enough work in mainstream Hollywood. Just by necessity, the bounds will be pushed aside by the various needs of creative people."

But where European filmmakers once dubbed Americans into foreign languages,

now they leave their dialogue in English. "That's market-related," said Riegert, whose other credits include "Animal House" and "Concealed Enemies," in which he played Richard Nixon. "As the prices go up to make movies abroad, the American market is too huge to be ignored. 'A Man in Love' is not going to have much opportunity to make money only in France, especially now that France's moviegoing public has shrunk because of TV."

Diane Kurys maintained that the reason she made the film in English is that the central character is American — as a real movie star has to be. "Casting him was not easy until she saw 'Heartbreakers,' in which Coyote played what the title implies. 'I had already seen 'The Jagged Edge' and 'Stranger's Kiss,' but never thought of using him in the lead," she said. "After 'Heartbreakers,' I said, 'perfect': Coyote has a lot of charm, intelligence, tenderness and vulnerability. As far as Riegert is concerned, I wrote the part of Michael directly for him, and he was the first one cast."

The first actor cast in "Good Morning, Babylon" was Joaquim de Almeida, who came here from his native Portugal 11 years ago. He appeared in "Beyond the Limit" with Richard Gere, and his strong screen presence was not forgotten by José Villa-



Vincent Spano, Vittorio and Paolo Taviani, Joaquim de Almeida in "Good Morning, Babylon." Unibanco Montreal



Peter Coyote and Jamie Lee Curtis in "A Man in Love."

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before they make it. They know exactly where to put the camera, because they know which shot they will use. Americans discuss the scene before directing; the Tavianis want very specific scenes, and it's inside the specifics that we have to find our own freedom."

Vincent Spano echoed these sentiments when reached by phone in Italy, where he is making another English-language Italian film. "They want total control over what's happening in their frame," said the 24-year-old actor, whose credits include John Sayles's "Baby, It's You" and Andrei Kounchalovskiy's "Maria's Lovers." "As much as that could be frustrating, I learned a great lesson from them in detail. They know exactly what they want. It's like falling back with your eyes closed, and you know they'll catch you."

De Almeida — who speaks fluent Italian, in addition to French, Spanish, German and Portuguese — added that "Americans talk more in terms of objectives, and the Tavianis talk more about emotions. One particularly good thing was that they were so secure and sure of where to put the camera that they had time to take care of the actors. We were able to discuss things during rehearsals."

This is one of the key points that Kurys stressed, as she observed that American actors are "more available before and during shooting. In France, we don't rehearse: producers don't let you, because there's not enough time and you can't bring the actors earlier."

"American actors have a sense of their art that is sharper than ours," she continued. "There's a constant inventiveness: they suggest more things, and really take the acting seriously. For example, Riegert chose all his costumes: he brought them in a suitcase, one for every day!"

The contributions of the American actors were especially important to her, because "Un homme amoureux" depends on character nuance more than linear plot development. As Coyote perceived, "The structure is derived from the intentions of the characters, whereas most American films have the intentions of the character subjugated to the plot."

During a telephone interview from Toronto, where he is shooting a mini-series, he added that "the primary difference is Europe's vibrant intellectual tradition: ideas have real currency there. I think that the reason I usually play villains in America and played a hero in France aptly reflects the differing attitudes of the two continents toward intellectual thought."

American actors do not have the same freedom that Riegert perceives among European performers: "They go from lead to supporting role, to cameo," he remarked. "We have a class system: if you do a few leads and then take a supporting part, people ask, 'What happened?' My ambition, or fantasy, is to make a movie in every country. My idols are the silent actors like Chaplin and Keaton who, because of silence, crossed all boundaries."

Annette Insdorf is professor and director of undergraduate film studies at Columbia University. She wrote this article for The New York Times.



Nadia Boulanger, whose 100th anniversary was observed this year.

Bernstein-Boulanger

Continued from page 7

thing," as she is quoted by Bruno Monsaingeon in his "Mademoiselle."

Jean-Pierre Marty shrugs helplessly when asked what it is like to be in the seat once occupied by Nadia Boulanger. At 55, he is an all-around musician: conductor and pianist, author of a scholarly tome, "Tempo Indications of Mozart," due from Yale University Press next year, and former director of opera at Radio France. At 12 he was a piano pupil of Alfred Cortot, and much later of Julius Katchen. He spent a dozen years of his career in the United States — where he began conducting with the New York City Ballet and American Ballet Theater — which gives him a usefully bicultural attitude to his new job. He, too, studied with Nadia Boulanger. She was unique and by definition irreplaceable, his shrug seems to say. The world has changed, but the school remains.

The basic problem is the orientation of the school: it has to justify its existence," he said. "In some ways, the fact that Nadia Boulanger taught and ran the conservatoire for so long was perhaps not good for the school as an entity.

"The Conservatoire Américain was founded to fill a gap when American music education was in an embryonic state. But that changed. Now many French want to go to American schools."

That sea change in the world of music education dates mainly from the end of the Second World War and it is what the school now must face. Marty believes. Indeed, there has been a 30-year delay, in large part because Nadia Boulanger was who she was,

and her fame in the United States was the main attraction for students.

"She was one of those people — Bernstein is another — who have ideas and the force of character to carry them out. Their acts are meaningful because they did them. The point is not to try and imitate Nadia Boulanger and the way she ran the school, but to concentrate on what the school has to offer, on what there is here that cannot be found elsewhere."

One thing the school has is its setting, the palace of Fontainebleau in lovely country-side 65 kilometers (40 miles) south of Paris, where the school has its classes for two months each summer. After the grand Mademoiselle died in 1979, the authorities did what they had been wanting to do for years — move the conservatoire from the Louis XV wing, so it could be renovated, to the part of the palace known as the Quartier Henri VI. The offices and practice studios there are Spartan, but spacious.

The concerts that are given for school and town during the term are still being held in the palace's Jeu de Paume, which has an organ and a stage big enough for a small orchestra. But the Jeu de Paume is marked for restoration, too, and Marty is now jostling with the Culture Ministry to try and stymie this, or at least get a good replacement. The French foundation that operates the Ecoles d'Art Américaines also owns its own faculty and student restaurant and two student hotels in the town.

But more important, Marty feels, is that the school still has much to offer Americans in what is unique about a French musical education.

Marty admits that not all of his plans this year worked as well as the conducting seminar, which he taught and Bernstein took over for four days. But Bernstein's presence attracted advanced students, made it possible to attract a 46-piece resident orchestra for little more than two weeks of room and board, and set up the Salle Pleyel concert. Bernstein's return is hoped for next year.

"I told the Culture Ministry," Marty said, "that it was only through this course that a graduate of the Conservatoire de Paris got to conduct the Orchestre de Paris."

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Norway N.Kr.	1,800	990	540	N.Kr. 3.05 N.Kr. 1,110
Portugal Esc.	22,000	12,000	6,600	Esc. 64.56 Esc. 23,500
Spain Ptas.	29,000	16,000	8,800	Ptas. 55.33 Ptas. 20,140
Sweden S.Kr.	1,800	990	540	S.Kr. 3.05 S.Kr. 1,110
Switzerland S.Fr.	510	280	154	S.Fr. 1.10 S.Fr. 400
Rest of Europe, North Africa, former French S.	430	230	125	Varies by country
Rest of Africa, Middle East S	580	320	175	

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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	Clos.
U.S. Corp.	41228	287	277	+1	277
AT&T	34522	100	97	+1	97
Verity	34522	85	82	+1	82
IBM	24282	100	97	+1	97
Motorola	22775	100	97	+1	97
General Mills	20842	100	97	+1	97
Ciba-Geigy	21775	100	97	+1	97
Unilever	19420	95	92	+1	92
General Mills	15520	95	92	+1	92
Exxon	13844	95	92	+1	92
AEPs	13782	95	92	+1	92

Market Sales					
NYSE 4 p.m. volume	Open	Close	Chg.	Prev.	
Amex 4 p.m. volume	191,820,700	191,820,700	-	-	
Amex 4 p.m. close	14,545,000	14,545,000	-	-	
Amex 4 p.m. volume	15,710,000	15,710,000	-	-	
OTC 4 p.m. volume	151,350,000	151,350,000	-	-	
OTC 4 p.m. close	123,420,000	123,420,000	-	-	
NYSE volume down	20,420,000	20,420,000	-	-	
Amex volume up	7,400,000	7,400,000	-	-	
Amex volume down	11,220,000	11,220,000	-	-	
OTC volume up	15,360,000	15,360,000	-	-	
OTC volume down	23,641,000	23,641,000	-	-	

NYSE Index					
High	Low	Close	Chg.	Prev.	
Composite	180.37	178.15	+1.83	+1.83	
Industrials	222.44	219.62	+2.82	+2.82	
Transport	171.52	170.32	+1.18	+1.18	
Utilities	76.01	75.11	+1.91	+1.91	
Finance	155.39	153.62	+1.81	+1.81	

Thursday's NYSE Closing					
Via The Associated Press					
Advanced	377.22	377.22	+1.25	+1.25	
Declined	377.22	377.22	-1.25	-1.25	
Unchanged	377.22	377.22	-1.25	-1.25	
Total Issues	377.22	377.22	-1.25	-1.25	
Total Highs	377.22	377.22	-1.25	-1.25	
New Lows	377.22	377.22	-1.25	-1.25	

AMEX Diary					
Close	Chg.	Prev.	Adv.	Decl.	Unch.
Advanced	377.22	377.22	+1.25	+1.25	-1.25
Declined	377.22	377.22	-1.25	-1.25	+1.25
Unchanged	377.22	377.22	-1.25	-1.25	+1.25
Total Issues	377.22	377.22	-1.25	-1.25	+1.25
Total Highs	377.22	377.22	-1.25	-1.25	+1.25
New Lows	377.22	377.22	-1.25	-1.25	+1.25

NASDAQ Index					
Close	Chg.	Prev.	Adv.	Decl.	Unch.
Composite	449.00	+1.54	+0.57	+0.57	-0.57
Industrials	471.40	+1.57	+0.58	+0.58	-0.58
Finance	420.50	+1.51	+0.49	+0.49	-0.49
Utilities	323.50	+1.51	+0.49	+0.49	-0.49
Banks	321.50	+1.52	+0.51	+0.51	-0.51
Trans.	315.50	+1.52	+0.51	+0.51	-0.51

AMEX More Actives					
Close	Chg.	Prev.	Adv.	Decl.	Unch.
Tech City	465.00	+1.52	+0.51	+0.51	-0.51
WorldCom	465.00	+1.52	+0.51	+0.51	-0.51
Motorola	447.00	+1.52	+0.51	+0.51	-0.51
EBOG 3	436.00	+1.52	+0.51	+0.51	-0.51
CCFCM	436.00	+1.52	+0.51	+0.51	-0.51
WORK	436.00	+1.52	+0.51	+0.51	-0.51
Global F	436.00	+1.52	+0.51	+0.51	-0.51
ABT	436.00	+1.52	+0.51	+0.51	-0.51
VISCOM	436.00	+1.52	+0.51	+0.51	-0.51
TELE	436.00	+1.52	+0.51	+0.51	-0.51

Dow Jones Bond Averages

Class	Prev.
Advanced	976
Declined	976
Unchanged	976
Total Issues	1983
New Highs	101
New Lows	14

Odd-Lot Trading in N.Y.					
Buy	Sales	Chg.	Prev.	Adv.	Decl.
Avg. 5	308,181	546,454	+1.24	+1.24	-1.24
Avg. 4	266,228	518,345	+1.25	+1.25	-1.25
July 31	219,502	507,502	+1.25	+1.25	-1.25
July 30	371,524	503,746	+1.21	+1.21	-1.21

*Included in the sales figures.

Dow Jones Averages					
Open	High	Low	Last	Chg.	Clos.
Industrial	377.22	377.22	+1.25	+1.25	-1.25
Transport	377.22	377.22	+1.25	+1.25	-1.25
Utilities	377.22	377.22	+1.25	+1.25	-1.25

Standard & Poor's Index					
Close	Chg.	Prev.	Adv.	Decl.	Unch.
Industrial	3				

Why do we need a fleet of 28 wide-bodied jets?

Thai

FRIDAY, AUGUST 7, 1987

WALL STREET WATCH

Investment Help Wanted?
Temp' Firms Are Booming

By VARTANIC G. VARTAN
New York Times Service

NEWS YORK — Most analysts continue to give high marks to the temporary-help business — a niche industry that sprang into the Wall Street spotlight this week when Blue Arrow PLC, the leading employment agency in Britain, made a surprise takeover bid for Manpower Inc., the largest "temp" provider in the world.

Blue Arrow offered \$75 a share for the much-larger American company. The market's immediate response was to send Manpower's stock shooting ahead \$15.625, to \$78, on Tuesday, and up another 50 cents, to \$78.50, on Wednesday.

While the outcome of the bid remains uncertain, shares of other leading temporary-help companies — Kelly Services, Osten Corp. and Adia Services — also have reached highs. However, Jerry Levine of Merrill Lynch said these companies are not regarded as acquisition targets because their control rests securely in the hands of founding families or, in the case of Adia, of a Switzerland-based personnel services company.

Instead, analysts said these stocks are attractive because of their record of steady profit growth even in the face of a ho-hum U.S. economy. For example, earnings at Kelly Services, the largest supplier of temporary personnel in the United States, tripled from 73 cents a share in 1982 to \$2.27 a share in 1986.

In one sense, temporary-help companies are a beneficiary of the vast restructuring that has occurred in American industry since the early 1980s, said Judith Scott of Robert W. Baird & Co. in Milwaukee.

"As companies concentrated on reducing fixed costs, they realized the advantages and flexibility of using temporary workers in clerical, marketing, industrial and other capacities," she said. "And as demand for new skills increased in such areas as computer programming and data processing, the service companies moved quickly to fill the need at the same time their own training procedures grew more sophisticated."

ONE ADVANTAGE, too, of hiring temporary help is that employers avoid paying for benefits. They are shouldered instead by the employment-service companies.

Mr. Levine of Merrill Lynch has made "buy" recommendations for both Kelly and Osten. "I estimate earnings of Kelly Services at \$2.85 a share this year, and for 1988, profits could show a further gain of 22 to 25 percent," he said.

Osten earned 75 cents a share in 1986, after adjustment for a recent 3-for-2 stock split. Mr. Levine projects per-share profits of from 97 cents to \$1 for this year, with earnings climbing another 25 percent in 1988.

Ms. Scott also continues to regard Kelly and Osten as "buys." She foresees per-share profit at Kelly of \$2.85 this year and \$3.35 in 1988, and at Osten of \$1 in 1987 and \$1.20 next year.

Fran Blechman Bernstein, the Merrill Lynch analyst who follows buy-rated Adia Services, estimates per-share profit at \$1.05 to \$1.15 this year and \$1.30 to \$1.40 in 1988. Last year, the company earned 76 cents a share.

In American Stock Exchange trading on Wednesday, Osten rose 50 cents, to \$27.25. The shares have doubled within the last 52 weeks. In over-the-counter trading, Kelly Services gained 75 cents, to \$64.25. Its shares have quadrupled in price since mid-1984. Adia Services rose 12.5 cents, to \$28.625.

Another small but fast-growing company in the field is Uniforce Temporary Personnel. Its shares fell 50 cents on Wednesday, to \$12.75, after selling for as low as \$4 within the past year.

Despite the bright future, growth of temporary-help companies could slow abruptly should a severe economic recession come to pass. The last recession, for example, pared the profits of Kelly Services from \$1.10 a share in 1981 to 75 cents the following year. In the similar period, Osten's earnings dropped from 43 cents a share to 31 cents.

Currency Rates

Aug. 6									
Cross Rates		U.S.		U.S.		U.S.		U.S.	
Allem. (D)	1.115	1.329	1.115	2.225	1.155	1.421	1.328	1.423	1.424
Broadsheet (L)	1.251	1.6255	1.251	2.225	1.251	1.421	1.328	1.423	1.424
Frankfurt	1.262	2.94	—	3.01	1.262	1.423	1.328	1.423	1.424
London (B)	1.374	—	1.365	1.6255	1.365	1.421	1.328	1.423	1.424
Milan	1.38440	2.1015	1.38440	2.1015	1.38440	1.421	1.328	1.423	1.424
New York (C)	1.38440	2.1015	1.38440	2.1015	1.38440	1.421	1.328	1.423	1.424
Paris	1.3725	1.899	1.3725	1.899	1.3725	1.421	1.328	1.423	1.424
Tokyo	1.3620	2.1749	1.3620	2.1749	1.3620	1.421	1.328	1.423	1.424
Zurich	1.3680	2.089	1.3680	2.089	1.3680	1.421	1.328	1.423	1.424
1 ECU	1.1017	2.0736	1.1017	2.0827	1.1017	1.421	1.328	1.423	1.424
1 SDR	1.358	0.7995	1.358	0.7995	1.358	1.421	1.328	1.423	1.424

Closings in London and Zurich, readings in other currencies. New York rates of 4 P.M. (all Commercial firms) (B) Amounts needed to buy one pound (A) Amounts needed to buy one dollar (+) Units of 100 (x) Units of 1000 (xx) Units of 10000 (xxx) not quoted (N/A) not available (xx) To buy one pound: \$15.5176

Other Dollar Values

Currency per U.S.	Current per U.S.	Currency per U.S.	Current per U.S.	Currency per U.S.	Current per U.S.
Arg. (m)	2.01	Arg. (m)	1.4229	S. K. (m)	202.10
Australia	1.02	Arg. (m)	1.4229	S. K. (m)	202.10
Austria	1.22	Arg. (m)	1.4229	S. K. (m)	202.10
Bahrain	1.22	Arg. (m)	1.4229	S. K. (m)	202.10
Belg. (m)	1.212	Arg. (m)	1.4229	S. K. (m)	202.10
Bol. (m)	29.12	Arg. (m)	1.4229	S. K. (m)	202.10
Brazil	45.87	Arg. (m)	1.4229	S. K. (m)	202.10
Canada	1.223	Arg. (m)	1.4229	S. K. (m)	202.10
Chinese yuan	3.20	Arg. (m)	1.4229	S. K. (m)	202.10
Danish krone	7.154	Arg. (m)	1.4229	S. K. (m)	202.10
Egypt, pound	2.1977	Arg. (m)	1.4229	S. K. (m)	202.10
Iceland	1.1048	Arg. (m)	1.4229	S. K. (m)	202.10

Source: Indonesia Bank (Bank of Brunei); Banco Comercial Hispano (Milan); Banca Nazionale del Lavoro (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAAI (dollar/yen/dollar); Geobank (Brussels). Other data from Reuters and A.P.

Interest Rates

Aug. 6					
Eurocurrency Deposits					
1 month	3.4%	3.4%	3.4%	3.4%	3.4%
2 months	3.6%	3.6%	3.6%	3.6%	3.6%
3 months	3.8%	3.8%	3.8%	3.8%	3.8%
4 months	3.9%	3.9%	3.9%	3.9%	3.9%
1 year	4.1%	4.1%	4.1%	4.1%	4.1%

Sources: Morgan Guaranty (sovereign), DM, SF, Pound, FF; Lipow Bank (ECU); Reuters. (SDR) Rates applicable to Interbank deposits of \$1 million minimum for equivalent.

Key Money Rates Aug. 6

Aug. 6					
Asian Dollar Deposits					
1 month	6.1%	6.1%	6.1%	6.1%	6.1%
2 months	6.3%	6.3%	6.3%	6.3%	6.3%
3 months	6.5%	6.5%	6.5%	6.5%	6.5%
4 months	6.6%	6.6%	6.6%	6.6%	6.6%
1 year	6.7%	6.7%	6.7%	6.7%	6.7%

Sources: Reuters. (sovereign) 100-day, DM, SF, Pound, FF; Lipow Bank (ECU); Reuters.

Gold

Aug. 6					
Home	462.85	469.85	—	—	—
Luxembourg	469.00	—	—	—	—
Paris (12.5 kilo)	468.75	468.15	—	—	—
Zurich	462.85	468.70	—	—	—
London	462.85	468.70	—	—	—
New York	—	468.70	+1.20	—	—

Sources: Reuters. Bank of Tokyo; Commerzbank; Credit Lyonnais.

BUSINESS/FINANCE

INTERNATIONAL Herald Tribune

Why do we need to build the world's most modern flight kitchen?

Thai

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U.S. Cuts Growth Forecast '88 Projection Revised to 3.5%

The Associated Press

WASHINGTON — The Reagan administration on Thursday revised downwards its forecast for 1988 U.S. economic growth, but left unchanged its projection for 3.2 percent growth in gross national product this year.

The 1987 growth forecast is close to that projected by many private economists. GNP measures the total output of a nation's goods and services.

The administration said the economy would continue to expand through 1992 with 3.5 percent growth next year that would taper off to 3.1 percent by 1990. In January, the administration projected that GNP would grow 3.7 percent in 1988.

The administration said that inflation, as measured by the Consumer Price Index, would rise 4.8 percent this year — a full percentage point higher than the January projection.

Still, the prediction is below the 5.4 percent annual rate at which the Consumer Price Index increased for the first six months of the year.

Beryl W. Sprinkel, chairman of the President's Council of Economic Advisors, said that the higher rate was not expected to persist. That rate has been attributed largely to rebounding oil prices and a weakening dollar, which has made imports more expensive.

The administration also raised its projection on interest rates. It said three-month Treasury bills would average 5.7 percent compared with 5.4 percent projected in the president's budget in January, while 10-year Treasury securities would average 8 percent, rather than 6.7 percent as earlier forecast.

West German GNP

West Germany's inflation-adjusted gross national product grew 1.3 percent in the second quarter after a weak first quarter, the Associated Press reported from Bonn on Thursday, quoting the Economics Ministry.

SKF's Pretax Earnings Rose 15.5% in First Half

By Juris Kaza

Special to the Herald Tribune

STOCKHOLM — SKF AB, the Swedish maker of tools and ball bearings, said Thursday that its first-half pretax earnings rose a better-than-expected 15.5 percent from a year earlier, to \$21 million kronor, or about \$12.54 million.

Adjusted for the divestment of SKF's steel operations last year, sales were up 9 percent, to 9.9 billion kronor, from 9.1 billion kronor.

Procordia Shares Stir Strong Interest

Reuters

STOCKHOLM — Procordia AB's public offering, the largest in the history of the Stockholm bourse, is expected to be heavily oversubscribed when the application period begins on Friday.

Dealers said Thursday that the 7 million share issue, which is valued at 1 billion kronor (\$153 million), had attracted considerable interest despite strong criticism of the terms of the offer. Four institutional investors and Procordia employees have been allotted a total 40 percent of the shares.

Many analysts say that the shares, priced at 150 kronor apiece, are a bargain, but the general public will only be able to subscribe to 1.7 million shares.

Alcatel Plans Selloff, ITT Chief Says

Reuters

NEW YORK — ITT Corp.'s chairman and chief executive, Rand V. Araskog, said Thursday that Alcatel NV, its joint venture with Compagnie Générale d'Électricité de France, was planning a series of dispositions and acquisitions over the coming months.

Mr. Araskog declined to be specific about the plans, saying only that the acquisitions would not be major. ITT owns 37 percent of the venture.

ITT and CGE established the venture, the world's second-largest telecommunications company behind American Telephone & Telegraph, at the end of last year. CGE holds 55.6 percent of Alcatel, with the remaining share split among a number of companies.

Alcatel's revenue is expected to be about \$12 billion a year.

Mr. Araskog said told securities

Debt Plan's End Exposes Dome To Creditors

Reuters

TORONTO — Dome Petroleum Ltd. said that an interim repayment plan for its 6.2 billion Canadian dollar (\$4.7 billion) debt has been terminated because its lenders could not agree on an extension.

The company, whose acquisition by Amoco Corp. for \$3.8 billion is awaiting creditors' approval, said it would continue making payments to creditors as if the plan were still in effect. But, a Dome spokesman said Wednesday, "We're in a slightly more precarious position.... Any lender can now take individual action against the company to claim their loans."

In May 1986, Dome's 56 creditors agreed to accept reduced payments on debts until a comprehensive debt restructuring could be developed. The creditors signed waivers promising not to call their loans.

The interim plan expired June 30; Dome was seeking an extension to Aug. 31. With the plan's collapse, Dome loses the protection of the waivers.

U.S. Lawmakers Seeking Tighter Canadian Trade

Compiled by Our Staff From Dispatches

WASHINGTON — Congressmen from 18 states said Thursday that the United States, in negotiating a free-trade agreement with Canada, should seek to stiffen the 1965 accord governing automotive trade.

Trade in autos and auto parts, including trucks and buses, constitutes about one-third of total U.S.-Canada trade, or about \$45 billion last year.

The House members also called for an end to Canada's duty remissions program. Canada remits import duties on car parts assembled in Canada to encourage exports of automotive products.

In addition, the congressional proposed elimination of Canadian tariffs on telecommunications equipment, and a standardized rule of origin for duty-free trade between the two nations.

Negotiators have been working for 15 months on an accord to liberalize trade between the United States and Canada. America's largest trading partner, bilateral trade totaled \$126 billion last year.

Representative Howard E. Wolpe, Democrat of Michigan, said that "an effective rule of origin would ensure that Canada does not become a Trojan horse for third-country products coming into the United States."

in the first half of 1986, SKF said.

In the second quarter alone, earnings totaled 441 million kronor, up from 380 million kronor in the first quarter and 361 million kronor in the second quarter of 1986, it said.

Despite the higher earnings and sales, SKF forecast in its interim report that earnings for all of 1987 would be unchanged from 1986, "with a somewhat lower sales level."

Some analysts said they were concerned by SKF's pessimistic signal.

"Our own forecast was for 780 million or 900 million kronor," so the first-half figure is "quite good," said Nigel Yandell, an analyst with Enskilda Securities, the London affiliate of Skandinaviska Enskilda Banken. "But if they are looking for declining sales in terms of Swedish kronor, that's not particularly encouraging."

With continental currencies strengthening against the Swedish krona, "you would have thought they would improve their position in Germany," Mr. Yandell remarked. He pointed out that the only clear improvement the company reported in that market was in sales to the West German auto industry.

"There are quite a lot of hints that there will be a weak second half," he said. "Our forecast was for an increase to 1.6 billion kronor pretax, but now that may be a little high."

The move virtually ensures that GM will report an operating loss in the third quarter.

GM said Wednesday that it was offering the incentives, which apply to most models through Sept. 30, to move nearly 1 million 1987 cars off dealers' lots and to prepare for 1988 models.

ITC has now about 141.8 million shares outstanding.

In addition, Mr. Araskog said that ITT sees continued profit growth in 1987 from the \$494.0 million, or \$3.23 a share, it earned in 1986.

The company said that most of its operations would contribute to the earnings growth this year, led by strong pricing in paper products and financial services and firm demand for its electronics and defense businesses.

Price Tag on Arden 'Extraordinarily' High

Reuters

NEW YORK — The \$700 million that Rapid-American Corp. has agreed to pay for Elizabeth Arden Inc. is high, analysts say, but Rapid-American contends it can raise Arden's profit enough to justify the price.

Rapid-American, controlled by Moshulik Riklin, operates 1,226 McCrory's variety stores with annual sales of \$1.7 billion, and Fabergé Inc., a beauty products and apparel maker.

Arden, a unit of Eli Lilly & Co., is being acquired through Fabergé. The price — which is 1.7 times Arden's estimated 1987 sales — is \$100 million more than many financial analysts believed Arden would command.

"The price for Arden is an extraordinary number," Allan Mottram, a cosmetic industry consultant, said of the transaction announced Wednesday.

Nancy Hall, a cosmetics analyst with Smith Barney, Harris Upham & Co., said, "Cosmetic companies continue to fetch premium prices because buying recognized brand names and franchises worldwide is far safer than launching a cosmetic brand from scratch."

Last November, Squibb Corp.

British Companies Rapidly Widen Their U.S. Beachhead

By Warren Gerler
International Herald Tribune

LONDON — If Paul Revere were alive these days, he'd be hard pressed to cope with the latest British assault on America: In the last five days alone, U.K. raiders have launched takeover bids totaling \$3.7 billion for U.S. companies, nearly as much as the \$3 billion spent for all of 1985.

The bids include a \$1.24 billion bid by Blue Arrow PLC for Manpower Inc., the world's largest part-time help agency; a \$1.6 billion bid by Hanson Trust PLC for Kidde Inc., maker of Jacuzzi whirlpool baths; and an \$820 million offer for First Jersey National Corp., New Jersey's fourth-largest bank, by the U.S. arm of Royal Westminster Bank PLC.

Indeed, so far this year, British companies have offered more than \$18 billion for U.S. companies compared with \$13 billion for all of last year, according to Bob Cowell, head of U.K. equity research at the London brokerage Hoare Govett Ltd.

Most of this year's bids have proved successful or are still outstanding, with the notable exception of Robert Maxwell's aborted \$2 billion hostile offer for Harcourt Brace Jovanovich Inc.

To be sure, British companies have been pounding the U.S. acquisition trail for decades. British firms, in part due to language, legal and accounting similarities,

have long topped the list of overseas investors in the United States, holding \$51.4 billion in direct investments at the end of 1986 against \$23.4 billion for the Japanese.

British companies have had to run a gauntlet of takeover defenses, often in the form of U.S. litigation from shareholders and directors. Moreover, not all U.K.-launched takeovers have been a resounding financial success. The most recent case in point was Midland Bank PLC's disastrous last year of its California-based subsidiary, Crocker National Corp., the struggling retail bank it had acquired in 1981.

Still, over the past two years the pace of acquisitions by British firms has become furious and the prey ever larger.

The biggest transatlantic purchase came earlier this year, with British Petroleum

analysts said, and may leave the company vulnerable to a strike by the United Auto Workers union from Sept. 14, when the current contract expires.

"They have a 78-day supply of cars now," said Jack V. Kirman, an analyst with Kidder Peabody & Co., "and the incentives could take them down to about 36 days by the middle of September. They could be awfully short of cars if there is a strike." Industry officials consider a 60-day supply of cars the most desirable.

GM's stock closed down 87.5 cents at \$87.85 in Thursday trading on the New York Stock Exchange.

Chrysler Corp., offering loan rates as low as 3.7 percent or cash rebates, said it would study GM's plan. Ford Motor Co., with 3.9 percent rates, declined to comment.

This is the third consecutive year that GM has mounted a big campaign to reduce inventories.

However, when last year's campaign, with 2.9 percent car loans, helped produce a third-quarter operating loss of \$338 million, GM said it would forgo the costly inducements.

Under pressure from its shareholders, the company pledged to stop seeking a specific market share and to bolster earnings.



Lord Hanson, the chairman of Hanson Trust PLC, whose \$1.6 billion offer for Kidde Inc. is one of the latest brace of British takeovers bids for American companies.

PLC's \$7.6 billion acquisition of the stake in its Standard Oil Co. subsidiary that it did not already own. Before that, Unilever PLC's \$3.1 billion acquisition of Chesebrough-Pond's Inc. late last year had been the biggest.

Many British manufacturers, forced to streamline operations to survive a severe shakeout in 1980-81, have come to enjoy a steady stream of profits and have amassed large cash hoards.

A second major factor behind the new British wave has been the U.S. dollar's sharp depreciation in 1985-86.

Now that the pound appears a bit shaky against the dollar, companies may seek to snatch up U.S. assets while they remain cheap. As the dollar strengthens, the larger will be the profit contribution from the U.S. subsidiaries, when those earnings are repatriated into pounds, the thinking goes.

A third prod to the British buying spree in the United States has been London's long-running bull market. A steady surge in share prices on the London Stock Exchange over the past three years has enabled numerous companies, including small to mid-size firms, to raise large amounts of fresh capital as fodder for a takeover bid — often for U.S. companies triple their size.

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Unisys President Resigns

Reuters

BLUE BELL, Pennsylvania — Unisys Corp. said Thursday that its board had accepted the resignation of Paul G. Stern as president and a director effective Dec. 31. It did not say why he had resigned, and no successor was named.

The computer company's directors also approved the realignment of duties of some senior executives and the formation of a management board reporting to the chairman, W. Michael Blumenthal.

Analysis said the moves marked the final step in Mr. Blumenthal's assertion of control over the company created last year through the merger of Burroughs Corp. and Sperry Corp. Mr. Blumenthal, a former U.S. Treasury secretary, was chairman at Burroughs.

Barry Tarasoff, an analyst at Wertheim & Co., said of Thursday's move, "This was a consolidation by Blumenthal."

One is James Urihi, the executive vice president, who was given responsibility for Unisys's finances and international operations. He had been in charge of corporate staff and planning.

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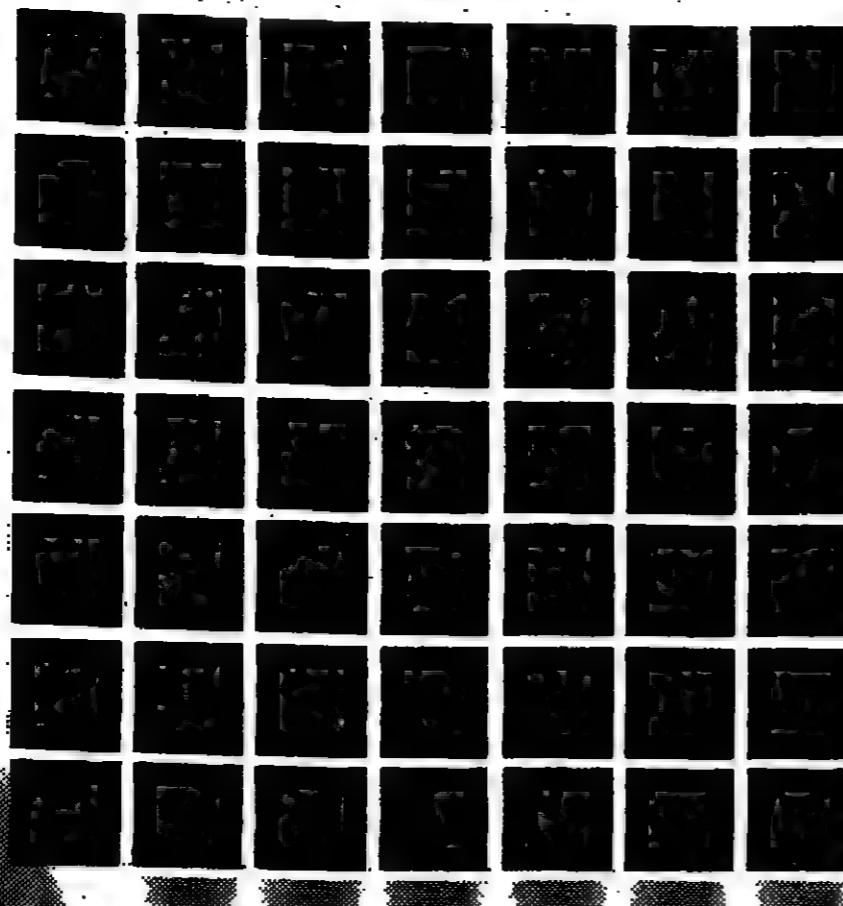
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BY ORDER OF THE BOARD OF DIRECTORS





Ideas bring growth
to finance.

The birth of Ferruzzi Agricola Finanziaria.

In October 1985 Gruppo Ferruzzi set out its plans to create one of the biggest agro-industrial groups in the world, to extend its activities into new sectors and to expand into new continents. In less than two years Gruppo Ferruzzi has become the largest agro-industrial group in Europe and the third largest in the world. Furthermore it is the second private-sector industrial conglomerate in Italy with an aggregate turnover of over 18 billion dollars. The Group's idea to use agricultural products for industrial and energy uses, and its related programme for environmental protection is a focal point of international debate. The driving force behind this extraordinary expansion has been Agricola Finanziaria, the Group's holding company. Its success on the financial market has allowed it to make large-scale investments such as the acquisition of CPC Europe, leader in the starch sector, the acquisition of a controlling interest in Montedison and Béghin-Say, and the restructuring of the sugar sector which makes the Group Europe's leading sugar producer. The market capitalization of the Agricola Finanziaria group amounts to about 20 billion dollars.

And now it is time for it to grow even more. Agricola Finanziaria is increasingly identified with Gruppo Ferruzzi and so Ferruzzi Agricola Finanziaria has been born.

All the activities of the Group will converge in the new holding company so that in due course Ferruzzi Agricola Finanziaria and Gruppo Ferruzzi will form a single entity. Its theatre of operations is increasingly worldwide.

Ferruzzi Agricola Finanziaria will span five continents.

Its widely diversified activities follow a single vertical structure from agriculture to services, from trading to agro-industry, from chemicals to the advanced services sector and finally to numerous industrial and financial shareholdings. Ferruzzi Agricola Finanziaria will be quoted on all the main European Stock Exchanges including London and Paris. This will lead to a broad national and international shareholder base in line with the Group's importance. The cycle is in constant movement: two years ago ideas brought growth to finance. Today

Finance is bringing growth to ideas.



Ferruzzi
Agricola Finanziaria

**Thursday's
AMEX
Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere
Via The Associated Press

12 Month Avg Lmt	Stock	Div. Rd.	PE	Sr. 100s	High	Low	Class Grd Cr
A							
12	3-4 A\$Bn		16	46	107	103	103 +
13	3-5 ABAGn		149	85	84	72	+
14	3-6 AL Labs	.12	11	10	115	113	113 -
15	3-7 AMCS	.10	1.1		9	8	8 -
16	3-8 AGI		38	10	32	28	-
17	3-9 AGO				4	4	-
18	3-10 ATBE			1125	105	17	103 +
19	3-11 ATTCW			17	17	16	16 -
20	3-12 ATT Fds	170	4.1	120	41	25	20 +
21	3-13 AT&T			170	111	111	41 -
22	3-14 Abitum				7	7	-
23	3-15 AcmeU	281		20	6	5	-
24	3-16 Action's		34	18	19	17	-
25	3-17 Actn w/t			18	15	15	-
26	3-18 Admrs		54	6	5	3	-
27	3-19 AdRSes		268	8	40	16	-
28	3-20 AdSyst		268	317	161	161	161 -
29	3-21 Advocon			19	12	12	-
30	3-22 Adwest			12	10	9	-
31	3-23 Adx			25	4	3	-
32	3-24 Alfin's			25	10	9	-
33	3-25 Alfin's	1.26	13.8	25	10	9	-
34	3-26 Alphain			125	100	95	95 -
35	3-27 AlphainGr			125	95	95	95 -
36	3-28 Alcoa Br	3.75	8.4	1502	44	44	44 -
37	3-29 ALCOA			161	41	35	35 -
38	3-30 AmBrill	.08	1.8	21	21	17	17 -
39	3-31 AmpDigi	.15	1.8	12	2	1	1 -
40	3-32 AmpElec			9	11	9	-
41	3-33 AmpFRC wt			95	12	12	-
42	3-34 AmpFrc A			11	65	57	-
43	3-35 AmpFrc B			10	57	52	-
44	3-36 AmHealth				272	24	-
45	3-37 Israel	316	1.3	9	75	24	-
46	3-38 AmMed			53	23	16	-
47	3-39 AmTele			53	23	16	-
48	3-40 ASBID				17	9	-
49	3-41 AmOil				17	9	-
50	3-42 AmPac		24	16	25	17	-
51	3-43 AmRilly	2.50	4.85	21	12	12	-
52	3-44 AmRilly	1.13	11.2	219	161	17	-
53	3-45 ASCE			17	17	17	-
54	3-46 TechC				17	17	-
55	3-47 A-Adv Br				17	17	-
56	3-48 A-Adv Sc				17	17	-
57	3-49 A-Adv Sc	3.29	4.8		17	17	-
58	3-50 A-Adv Sc				17	17	-
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218	3-210 A-Adv Sc				17	17	-
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220	3-212 A-Adv Sc				17		

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		INTER
(w) Al-Mal Trust, S.A.	\$ 201.64	(d) Share
(r) Managed Currency	\$ 993.72	(d) Share
APAX FINANCIAL CORP.		(d) Share
Maritime house, P.O.B. N-46-NASSAU,		(d) Share
(b) American Capital NY	\$ 113.39	(d) Share
BANK JULIUS BAER & CO. LTD		LONDON
(d) Bairdmann	SP 880.20	(d) Share
(d) Carter	SP 1957.00	(d) Share
(d) Southern America	SP 1970.00	(d) Share
(d) Southern Europe	SP 1445.00	(d) Share
(d) Southern Pacific	SP 1745.00	(d) Share
(d) Grabar	SP 1147.00	(d) Share
(d) Stoecker	SP 204.00	(d) Share
(d) S.F.R.-BAER	SP 1004.00	(d) Share
(d) Swissbank	SP 2743.00	(d) Share
BALL MULTICURRENCY		ERMITAGE
(t) Multicurrency US\$	\$ 1,182.50	(w) Royal
(t) Multicurrency Ecu	ECU 1,098.22	(w) Extra
(t) Multicurrency Yen	Y 2114.05/90	(w) Corp.
(t) Multicurrency FFR	FF 10,341.73	(w) F.W.
BBL INTRABUND		ERMITAGE
(w) Interbond Fund	\$ 178.61	(w) G.A.C.
(w) Intercurrency US\$	\$ 16.07	(w) G.A.C.
(w) Intercurrency DM	DM 30.47	(w) G.A.C.
(w) Intercurrency Sterling	\$ 10.12	(w) G.A.C.
(w) Intercurrency French Franc	Y 1,000.00	(w) G.A.C.
(w) Intercurrency Polish Off.	PL 24.41	(w) G.A.C.
(w) Intercurrency N. Amer. Other	\$ 12.26	(w) G.A.C.
(w) Intercurrency Eurozone Clos.	\$ 10.02	(w) G.A.C.
(w) Intercurrency Argentine Cis.	\$ 10.02	(w) G.A.C.
BANQUE INDOSUEZ		P.O. BOX
(w) Asian Growth Fund	\$ 10.00	(w) G.A.C.
(w) Asian Income Fund	\$ 10.24	(w) G.A.C.
(w) Dividend	SP 87.55	(w) G.A.C.
(w) PIF-America	\$ 22.53	(w) G.A.C.
(w) PIF-Europe	\$ 29.72	(w) G.A.C.
(w) PIF-International	\$ 18.25	(w) G.A.C.
(w) PIF-Pacific	\$ 48.88	(w) G.A.C.
(w) France Blue chips No 1	FF 10,471.64	(m) Fidelity
(w) France Blue chips No 2	FF 10,470.70	(m) Fidelity
(w) Industrie Multibonds A	SP 121.97	(m) Fidelity
(w) Industrie Multibonds B	SP 224.01	(m) Fidelity
(d) Industrie USD (M.M.F.)	\$ 114.00	(m) Fidelity
(w) PIA-1	\$ 100.00	(m) Fidelity
(w) Pacific Gold Fund	\$ 119.48	(m) Fidelity
BANQUE PRIVEE E. DE ROTHSCHILD		FIDELITY
(b) Cursier SP Blased Inc. Fund	DM 91.98	(m) Fidelity
(b) Cursier SP General Fund	DM 119.99	(m) Fidelity
(w) Dated Lcf Int. Bond	SP 106.63	(m) Fidelity
(b) Eagle Fund	LP 11,000.00	(m) Fidelity
(b) Government, Sec. Fundo	\$ 79.48	(m) Fidelity
(w) Icis Sicav	PL 10,130	(m) Fidelity
(w) Leicomm	\$ 2629.10	(m) Fidelity
(b) Opportunities Fund	\$ 1095.20	(m) Fidelity
(b) Prifrap fund	DM 54.91	(m) Fidelity
(b) Pri-Tech	\$ 11,100.07	(m) Fidelity
(w) Rente Plus	BF 10,000.00	(m) Fidelity
(b) Source Sicav	\$ 11.46	(m) Fidelity
B.F.A.C.N.		FIDELITY
(w) Ecu Multiplacement	ECU 1044.00	(m) Fidelity
MAR BRIANNA-FGB 271,81, Heller	Heller	(d) Fidelity
(w) High Income	\$ 2,485.00	(d) Fidelity
(w) Dollar Mon.Curr.	\$ 12.11	(d) Fidelity
(d) Dollar Mon. Peri.	\$ 1,094	(d) Fidelity
(d) Sterling Mon.Peri.	\$ 184.4	(d) Fidelity
(w) Amer. Inc. & Growth	\$ 1,452	(d) FORBES
(w) Gold & Prec. Metals	\$ 1,052	(d) London
(w) Sterling Mon. Curr.	\$ 17.28	(w) FORBES
(d) Japan Dollar Peri. Fd	\$ 2,909	(w) FORBES
(w) Jersey Gift	\$ 20.49	(w) FORBES
(d) Okasan Global Strat.	\$ 157.32	(m) FORBES
(d) World of Leisure	\$ 1,740	(m) FORBES
BROADCAST INTERNATIONAL FUND		GARANTIA
(d) S Money Market	\$ 10.12	(w) Scotland
(d) Non-Bank Money Market	DM 27.16	(d) CALEDONIA
(w) Non-Bond	\$ 11.20	(d) CAPITALE
(w) Non-Bond Liability	SP 1120.00	(d) CAPITALE
(d) Clinton Manag. Growth	\$ 1249.77	(d) CAPITALE
(d) CHIMANOS. Growth Euro.	ECU 105200.00	(d) CAPITALE
(d) Clinton Profitt Starling .	\$ 1018.00	(d) CAPITALE
CITY TRUST		GEFINO
(w) Global Equities	\$ 9.87	(w) E.S.O.
(w) Global Bonds	\$ 9.78	(w) E.S.O.
(w) Global Money Market	\$ 10,200	(w) E.S.O.
(w) U.S. 5 Bonds	\$ 20,000	(w) E.S.O.
(w) U.S. 5 Money Market	\$ 10,000	(w) E.S.O.
(w) U.S 5 Equities	\$ 204.99	(d) CAPITAL
CCF - GAMMA		(d) GAMMA
(w) Activelife Investments Fund	\$ 34.93	(d) GAMMA
(w) Bond Price Med	\$ 112.00	(d) GAMMA
(w) CM Global Growth	\$ 10.12	(d) GAMMA
(w) CM North Amer Grth	\$ 10.12	(d) GAMMA
(w) Elysee Court Terme	FF 30,544.14	(d) GAMMA
(w) Elysee Long Term	FF 40,226.00	(d) GAMMA
(w) Elysee Monohold	FF 30,729.91	(d) GAMMA
(d) Europa Prestige Fund	EUR 114.00	(d) GAMMA
(d) I.I.S. Eurobond Fund	\$ 11.31	(d) GAMMA
(w) Strategic Investment Fund	\$ 29.24	(d) GAMMA
CEPSISSE (ISSUE PRICES)		(d) GAMMA
(d) CSF Bonds	SP 76.72	(d) GAMMA
(d) Bond Valor Swf	SP 768.70	(d) GAMMA
(d) Bond Valor U.S-DOLLAR	SP 1223.07	(d) GAMMA
(d) Bond Valor D-mark	DM 1112.80	(d) GAMMA
(d) Bond Valor Yen	Y 11,101.80	(d) GAMMA
(d) Bond Valor x Sterling	SP 1177.00	(d) GAMMA
(d) Convert Valor Swf	SP 1033.15	(d) GAMMA
(d) Convert Valor U.S-DOLLAR	SP 1824.43	(d) GAMMA
(d) Cx International	SP 1323.75	(d) GAMMA
(d) Action Suisses	SP 555.25	(d) GAMMA
(d) Europa-Valor	SP 217.90	(d) GAMMA
(d) Energie-Valor	SP 161.75	(d) GAMMA
(d) Condac	SP 725.00	(d) GAMMA
(d) Ussec	SP 857.00	(d) GAMMA
(d) Pacific-Valor	SP 2442.75	(d) GAMMA
(d) GS Gold Valor	SP 224.42	(d) GAMMA
(d) CS Eco Bond A	ECU 100.00	(d) GAMMA
(d) CS Eco Bond B	ECU 100.00	(d) GAMMA
(d) CS Guiden Bond A	PL 102.25	(d) GAMMA
(d) CS Guiden Bond B	PL 102.25	(d) GAMMA
(d) CS Short-T. Bd A	DM 103.47	(d) GAMMA
(d) CS Short-T. Bd B	DM 103.47	(d) GAMMA
(d) CS Short-T. Bd S.A	SP 101.25	(d) GAMMA
(d) CS Short-T. Bd S.B	SP 101.25	(d) GAMMA
(d) CS Money Market Fund	\$ 1225.04	(d) GAMMA
(d) CS Money Market Fund	DM 1321.51	(d) GAMMA
(d) CS Money Market Pd Yen	Y 107,459.00	(d) GAMMA
DIT INVESTMENT FFM		(d) GAMMA
(d) Concentro	DM 46.97	(d) GAMMA
(d) Int'l Renflemd	DM 77.09	(d) GAMMA
DREXEL BURNHAM LAMBERT INC		(d) GAMMA
Winchester House, 77 London Wall		(d) GAMMA
LONDON EC2 (01 2299779)		(d) GAMMA
(w) Winchester Capital	\$ 160.19	(d) GAMMA
(w) Finsbury Group Ltd	\$ 158.53	(d) GAMMA
(m) Winchester Diversified	\$ 18.26	(d) GAMMA
(m) Winchester Financial Ltd.	\$ 16.33	(d) GAMMA
(m) Winchester Frontier	\$ 16.16	(d) GAMMA
(w) Winchester Holdings	PL 1224.00	(d) GAMMA
(w) WinchHoldings LTD,EBS	ECU 1014.35	(d) GAMMA
(m) Winchester Recovery Ltd.	\$ 99.99	(d) GAMMA
(w) Worldwide Securities	\$ 91.22	(d) GAMMA
(w) Worldwide Special	\$ 764,675.75	(d) GAMMA
EBC TRUST CO.(JERSEY) LTD.		(d) GAMMA
1-3 Se St. Heller 0334-3621		(d) GAMMA
TRADED CURRENCY FUND.		(d) GAMMA
(d) Inc. Bid	\$ 13.00 Other	\$ 14.26
(d) Co. Bid	\$ 17.43 Other	\$ 17.97

Month	High	Low	Stock	Div.	Yld	PE	Sg.	100s High	100s Low	Chg.	Gnd.	Chg%	12 Month					
													High	Low	Stock	Div.	Yld	PE
67	42	40	A-99 Pr	2.60	3.9		50	20	10	+10	+10	+10						
68	43	40	A-99 Sc				50	20	10	+10	+10	+10						
69	44	41	A-99 Sc				50	20	10	+10	+10	+10						
70	45	42	A-99 Sc				50	20	10	+10	+10	+10						
71	46	43	A-99 Sc				50	20	10	+10	+10	+10						
72	47	44	Ampol	1.60	1.5	1.1	1.1	1.1	1.1	+10	+10	+10						
73	48	45	Amwest	1.60	1.5	1.1	1.1	1.1	1.1	+10	+10	+10						
74	49	46	Andal	1.60	1.5	1.1	1.1	1.1	1.1	+10	+10	+10						
75	50	47	Andre	1.70	1.6	1.2	1.2	1.2	1.2	+10	+10	+10						
76	51	48	Andres	1.80	1.7	1.3	1.3	1.3	1.3	+10	+10	+10						
77	52	49	Andrea	1.80	1.7	1.3	1.3	1.3	1.3	+10	+10	+10						
78	53	50	Andrea	1.80	1.7	1.3	1.3	1.3	1.3	+10	+10	+10						
79	54	51	Andrea	1.80	1.7	1.3	1.3	1.3	1.3	+10	+10	+10						
80	55	52	ArrowA	3.00	3.2	0.8	1.1	1.1	1.1	+10	+10	+10						
81	56	53	Arundi	1.60	1.5	1.1	1.1	1.1	1.1	+10	+10	+10						
82	57	54	Asmng	2.00	1.9	1.1	1.1	1.1	1.1	+10	+10	+10						
83	58	55	Astro	1.60	1.5	1.1	1.1	1.1	1.1	+10	+10	+10						
84	59	56	Astro	1.60	1.5	1.1	1.1	1.1	1.1	+10	+10	+10						
85	60	57	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
86	61	58	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
87	62	59	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
88	63	60	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
89	64	61	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
90	65	62	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
91	66	63	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
92	67	64	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
93	68	65	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
94	69	66	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
95	70	67	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
96	71	68	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
97	72	69	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
98	73	70	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
99	74	71	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
100	75	72	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
101	76	73	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
102	77	74	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
103	78	75	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
104	79	76	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
105	80	77	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
106	81	78	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
107	82	79	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
108	83	80	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
109	84	81	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
110	85	82	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
111	86	83	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
112	87	84	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
113	88	85	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
114	89	86	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
115	90	87	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
116	91	88	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
117	92	89	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
118	93	90	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
119	94	91	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
120	95	92	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
121	96	93	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
122	97	94	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
123	98	95	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
124	99	96	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
125	100	97	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
126	101	98	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
127	102	99	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
128	103	100	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
129	104	101	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
130	105	102	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
131	106	103	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
132	107	104	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
133	108	105	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
134	109	106	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
135	110	107	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
136	111	108	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
137	112	109	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
138	113	110	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
139	114	111	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
140	115	112	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
141	116	113	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
142	117	114	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
143	118	115	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
144	119	116	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
145	120	117	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
146	121	118	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
147	122	119	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
148	123	120	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
149	124	121	Algas	1.00	1.0	1.0	1.0	1.0	1.0	+10	+10	+10						
150	125	122	Algas	1.00	1.0	1.0	1.0	1.0	1									

AMEX Highs-Lows

NEW HIGHS - 27	
AmTr-ctH2 pr	AmTr-treat2 sc
AmTr-ss sc	AmTr-ek pr
AmTr-ibm sc	AmTr-eg pr
Bombardier	Blount A
ChartMta	Decorator
DIVHotels	Divisiti w/t
HUBSCO	Hubela
RashAscB	Saphra
TurnerBrd	Valler Rec's

NEW LOWS - 12	
AmTr-grow pr	
AmTr-hwp pr	
AmTr-krt sc	
SolarPhrm	
DevVol	
Fitchip GE	
KellerDGs	
School Pict.	
Volvo B	

Floating-Rate Notes

Grand Chrt Pmp Gb	5.75%	18-98
Woolwich 5.75 25.00	7%	18-97
Yorkshire 7 1/2 Gb	6%	14-98

Deutsche		Conversion
Switzerland	Fr. 100	45.00
Austria	Fl. 100	45.00
Greece	Dr. 100	3.75
Ireland	Pound 100	4.00
Belgium	Fr. 100	4.00
Portugal	Esc. 100	4.00
Spain	Peseta 100	4.00
Norway	Kr. 100	4.00
Denmark	Krona 100	4.00
Sweden	Kr. 100	4.00
Finland	Markka 100	4.00
U.K.	Pound 100	4.00
Belgium	Fr. 100	4.00
Denmark	Krona 100	4.00
Finland	Markka 100	4.00
Iceland	Krona 100	4.00
Norway	Kr. 100	4.00
Portugal	Esc. 100	4.00
Spain	Peseta 100	4.00
Sweden	Kr. 100	4.00

Japanese		Conversion
Switzerland	Fr. 100	140.00
Austria	Fl. 100	140.00
Greece	Dr. 100	140.00
Ireland	Pound 100	140.00
Belgium	Fr. 100	140.00
Portugal	Esc. 100	140.00
Spain	Peseta 100	140.00
Norway	Kr. 100	140.00
Denmark	Krona 100	140.00
Finland	Markka 100	140.00
U.K.	Pound 100	140.00
Belgium	Fr. 100	140.00
Denmark	Krona 100	140.00
Finland	Markka 100	140.00
Iceland	Krona 100	140.00
Portugal	Esc. 100	140.00
Spain	Peseta 100	140.00
Sweden	Kr. 100	140.00

E.C.U.		Conversion
Switzerland	Fr. 100	7.00
Austria	Fl. 100	7.00
Greece	Dr. 100	7.00
Ireland	Pound 100	7.00
Belgium	Fr. 100	7.00
Portugal	Esc. 100	7.00
Spain	Peseta 100	7.00
Norway	Kr. 100	7.00
Denmark	Krona 100	7.00
Finland	Markka 100	7.00
U.K.	Pound 100	7.00
Belgium	Fr. 100	7.00
Denmark	Krona 100	7.00
Finland	Markka 100	7.00
Iceland	Krona 100	7.00
Portugal	Esc. 100	7.00
Spain	Peseta 100	7.00
Sweden	Kr. 100	7.00

Fed, Bundesbank Slow Dollar's Rise

Reuters

NEW YORK — Concerned intervention by the central banks of the United States and West Germany pushed the dollar off its highs Thursday in New York and Europe, dealers said, but the U.S. currency nonetheless closed above Wednesday's levels against most currencies.

The dollar's resilience, dealers said, resulted from continued concern about possible expansion of the Iran-Iraq war, although no fresh news emerged Thursday. The dollar, which is considered a "safe haven" investment, also attracted buying from investors who chart historical currency movements.

"It just won't lie down," said a British trader of the dollar, after the Federal Reserve and Bundesbank were reported to be intervening to sell the currency. "It looks like there's a lot of steam in it."

Daniel Holland, assistant vice president at Discount Corp. in New York, agreed. "The intervention doesn't seem to have been too successful," he said.

The Bundesbank action began when the dollar was trading at about 1,8805 Deutsche marks in early afternoon, dealers said. The fed intervened at about 1,8840 DM, just below the 1,8850 DM level at which the Bundesbank had sold dollars on Wednesday.

M-1 Rose \$1 Billion in Week

Reuters

NEW YORK — M-1, the basic measure of U.S. money supply, rose \$1 billion to a seasonally adjusted \$749.1 billion in the week ended July 27, the Federal Reserve said Thursday. The previous week's M-1 level was revised to \$748.1 billion from \$748.3 billion. M-1 includes cash in circulation, checking deposits and travelers checks.

London Dollar Rates	
Closes	7/21
Deutsche mark	1,8825
Pound sterling	1,5800
Japanese yen	161.40
Swiss franc	1,5420
French franc	4,2745
Source: Reuters	4,2745

Although the dollar eased to 1,5445 Swiss francs in New York from 1,5590 on Wednesday, it rose to 1,5150 yen from 1,5085 and to 6,2795 French francs from 6,2616.

The British pound slipped to \$1,5765 from \$1,5780.

In London, the dollar rose to 1,8825 DM, above the finish of 1,8785 DM on Wednesday; to 1,5140 yen, from 1,5075; to 1,5629 Swiss francs, after 1,5580 and to 6,2745 French francs from 6,2575.

The British pound also fell against the U.S. currency to \$1,5750 from \$1,5780.

In earlier European trading, the dollar was fixed higher in Frankfurt at 1,8842 DM, up from 1,8789 DM on Wednesday. The currency was fixed in Paris at 6,2725 French francs, after 6,2600.

The dollar closed in Zurich at 1,5602 Swiss francs, up from 1,5590.

Dealers said Thursday's coordinated intervention, of about \$100 million to \$150 million for each central bank, appeared to have been a smoothing action rather than an attempt to reverse the dollar's upward trend.

It was the speed of the dollar's climb this week they said, rather than the actual levels reached that had prompted the intervention.

The intervention initially pushed the dollar back to around 1,8780 DM, dealers said, but it later rose to close in New York at 1,8845.

Sprinkel Smiles On Fed Policy

Reuters

WASHINGTON — Beryl W. Sprinkel, chairman of the President's Council of Economic Advisors, said Thursday that he was satisfied with the Federal Reserve Board's conduct of monetary policy.

Mr. Sprinkel told reporters that "no one knows for sure" whether the Fed is supplying enough money to satisfy the economy. But, he said he saw "no evidence" that the Fed was choking off growth by an overly tight policy. In recent congressional testimony, he had warned that if the Fed continued to tighten credit, as it did in May, growth could be harmed.

Mr. Sprinkel also said he was satisfied with the Fed's 1988 money supply growth targets. The targets are 5 to 8 percent for M-2 and M-3. The Fed set no target for M-1.

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Many analysts said the central bank's action could be seen as a pre-emptive strike to bolster the pound ahead of possible troubling British economic data due next week. Those figures include June trade data and average wage rates.

The presumption has to be that the bank knows something that we don't know," said Mr. Sprinkel, and "that next week's figures on trade and inflation are apt to be worse than expected."

The trade figures are due on Tuesday. In May, a jump in imports produced a surprise deficit of £361 million (\$885 million) in Britain's current account. That news triggered a slump in sterling from above \$1.60 and also hurt shares and bonds.

Analysts had expected the central account to break even or show a small surplus. They now expect a June current account deficit of £100 million to £300 million. Current account measures trade in goods and services as well as interest, dividends and certain transfers.

Mark Brown, an economist with Phillips & Drew, said the decision to lift rates reflected the government's concern about inflation over the long-term, particularly for the coming year.

"The move today shows the Bank of England's resolve to maintain the economy on a steady path," he said. "It should see the government through any short-term bad news next week."

But Mr. Sprinkel of James Capel noted that the central bank "runs a

risk in that if the numbers are really bad, the market will demand another one percentage point rise in base rates. It's going to be a very bumpy ride next week."

The central bank's announcement Thursday sent stock prices plunging.

The Financial Times-Stock Exchange index of 100 leading shares fell a record 56.0 points, to 2,261.40, after having been down as much as 70.5 points. The previous record single-day fall was set on March 30, when the index skidded 54.9 points.

Prices of some fixed-rate British government bonds slumped to three percentage points or £30 for every £1,000 of face value, to reflect the rise in interest rates.

The benchmark 11.75 percent bonds due in 2204/07 fell to 113 12/32 from 116 16/32 on Wednesday.

Mr. Sprinkel had been president of Act III Communications, which owns magazines and television sta-

BUSINESS PEOPLE

Ward to Head Midland's U.S. Unit

Compiled by Our Staff From Dispatches

John W. Ward, former chairman of the international banking group at Merrill Lynch & Co., has been named president and chief executive of Midland America Corp., the U.S. unit of Midland Bank Group P.L.C. Britain's third-largest bank.

Mr. Ward, 44, will also become chairman of Midland Montagu Capital Markets Inc., the investment banking arm of London-based Midland Bank P.L.C. He will report to Ernst W. Brutsche, chief executive of Reliance Group Holdings, a giant insurance, real estate and investment company that owns almost 30 percent of Hall.

Last week Hall reported a \$2.2 million loss for the second quarter of 1987, compared with a profit of \$4.8 million in the like 1986 period.

Mr. Ward assumes his new posts at Midland seeking to consolidate its American banking activities under a central management.

The banking group recently decided to integrate its operations in Hong Kong, Tokyo and Sydney into its investment banking division.

Mr. Ward, a native of Birmingham, England, is a 1965 graduate of Oxford University, where he studied chemistry. He graduated from the Manchester Business School and went to work for the Rio Tinto-Zinc Corp., the large British mining company, as a financial analyst in Australia.

He switched to Citibank in Australia in 1970 and served with the company in Singapore, Canada and New York. Next he joined Merrill Lynch in 1981 as the New York representative of Merrill Lynch International Bank Ltd. He became chairman of the international banking group in 1984 and last year was appointed to the additional post of director of the Latin American business group.

Walt Disney Studios has named Randy Reiss, 42, to be its new president of network television, replacing Gary Kusel, who becomes senior vice president. Mr. Reiss was also named to the newly created post of executive vice president of Walt Disney Studios.

Mr. Reiss had been president of

(Continued from first finance page)

Consafe's original design, albeit with many alterations.

Mr. Leubeker said he sees many ways the plans could have been improved — for example, larger windows and decks in guest rooms, better use of the top deck, where hotel staff will inexplicably be housed.

He said the next generation of floating resorts will be different. One prospective owner is already planning a model with rooftop dining and gardens.

Contractors supplying furniture and fittings for the modular rooms have been late delivering. So while final touches are put on the hotel's fiberglass exterior and stainless steel and wallpapered interior, workers have to haul tables and chairs up stairs. Mr. Leubeker would rather have completed the accommodation modules on land before building the upper stories.

The modular rooms are limited to the hotel's three upper "state-room" decks. Lower decks — including some suites, rooms with small balconies, restaurants, shops, a fitness center with saunas, conference rooms and the sound-proof disco — have been built at the dock site.

"It's like a passenger ship, except it doesn't move," Mr. Leubeker said.

He said he believes the floating hotel is perfect for small resort islands without public services to sustain large buildings. And a floating hotel can be towed from place to place for events like yacht races or festivals.

The Four Seasons Barrier Reef hotel, to be managed by the Four Seasons chain, will be anchored in 50 feet (15 meters) of water protected by an all-steel of the John Brewer Reef. Its anchoring equipment.

Sales Chief Quits Nissan U.S.A.

United Press International

CARSON, California — Nissan Motor Corp. U.S.A.'s senior vice president for marketing and sales has resigned, just two weeks after the automaker unveiled plans for a new luxury-car division.

Nissan said Wednesday that C.P. King, 58, "has elected to take early retirement, effective immediately." He joined Nissan in 1972 as national import and distribution manager. He will remain on as an independent consultant.

His successor will be Thomas D. Mignanelli, 42, who joined Nissan in June as vice president of marketing after 18 years at Ford Motor Co.

(NYT, Reuters)

HOTEL: There'll Be Rooms to Rent Beyond the Beach

(Continued from first finance page)

which was not built by Bethlehem Singapore, is designed to position the hotel in line with the prevailing winds. The anchor will have a cushioning device to minimize rocking and drifting.

There are no lifeboats. The connected but free-floating pontoons housing the pool, sun decks and tennis courts are designed to double as emergency barges that can stand a storm equivalent to the worst the area could expect in any hundred-year period. Mr. Leubeker said.

The hotel will be anchored about 40 miles off Townsville, on Australia's tropical Queensland coast. Four Seasons, which hopes to open the hotel by the end of the year, will offer the choice of a 90-minute transfer by catamaran or a 17-minute helicopter flight to the reef. Seaplane service is also planned to link the resort to the city of Cairns.

Thursday's OTC Prices

NASDAQ prices as of 4 p.m. New York time.
Via The Associated Press

Thursday's OTC Prices	
NASDAQ prices as of 4 p.m. New York time. Via The Associated Press	
12 Month High Low Stock	Sales in Div. Yld. Net
12 Month High Low Stock	Sales in Div. Yld. Net
A	
12 Month High Low Stock	Sales in Div. Yld. Net
B	
12 Month High Low Stock	Sales in Div. Yld. Net
C	
12 Month High Low Stock	Sales in Div. Yld. Net
D	
12 Month High Low Stock	Sales in Div. Yld. Net
E	
12 Month High Low Stock	Sales in Div. Yld. Net
F	
12 Month High Low Stock	Sales in Div. Yld. Net
G	
12 Month High Low Stock	Sales in Div. Yld. Net
H	
12 Month High Low Stock	Sales in Div. Yld. Net
I	
12 Month High Low Stock	Sales in Div. Yld. Net
J	
12 Month High Low Stock	Sales in Div. Yld. Net
K	
12 Month High Low Stock	Sales in Div. Yld. Net
L	
12 Month High Low Stock	Sales in Div. Yld. Net
M	
12 Month High Low Stock	Sales in Div. Yld. Net
N	
12 Month High Low Stock	Sales in Div. Yld. Net
O	
12 Month High Low Stock	Sales in Div. Yld. Net
P	
12 Month High Low Stock	Sales in Div. Yld. Net
Q	
12 Month High Low Stock	Sales in Div. Yld. Net
R	
12 Month High Low Stock	Sales in Div. Yld. Net
S	
12 Month High Low Stock	Sales in Div. Yld. Net
T	
12 Month High Low Stock	Sales in Div. Yld. Net
U	
12 Month High Low Stock	Sales in Div. Yld. Net
V	
12 Month High Low Stock	Sales in Div. Yld. Net
W	
12 Month High Low Stock	Sales in Div. Yld. Net
X	
12 Month High Low Stock	Sales in Div. Yld. Net
Y	
12 Month High Low Stock	Sales in Div. Yld. Net
Z	

Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

SPORTS

VANTAGE POINT / Thomas Boswell

Cheat, Yes, but Don't Get Caught

"Baseball is the very symbol, the outward and visible expression of the drive and push and rush and struggle of the raging, tearing, booming 19th century."

—Mark Twain

Washington Post Service

WASHINGTON — One day after a rain delay had left the diamond mud, players from rival teams noticed that the Philadelphia Phillies third base coach was, inning after inning, standing with one foot in a deep puddle of water. They also noticed that their pitchers were being killed.

Why would a man deliberately stick his foot in a shoe-lace-deep puddle? Between innings, the suspicious players dug around in the mud. And unearthed a block of wood with a buzzard button. Next they tore up the underground wire connected to the box to see where it led. To the center field scoreboard.

There they found a Phillies player with binoculars, stealing signs, then relaying them to Cupid Childs, the coach who could feel the tipoff signal in the sole of his left foot.

This incident happened in 1899 and is related in a book called "Pitching in a Pinch," written by Christy Mathewson. As Heywood Brodin put it, writing in the New York World in 1923, "The tradition of professional baseball always has been agreeably free of chivalry. The rule is, 'Do anything you can get away with.'"

In many ways, that was the American rule of the 19th and early 20th centuries, a time of cartels and robber barons, Wall Street skullduggery, Elmer Gantry charlatanism and big stick foreign policy.

Avarice and a will to power posed as philosophy.

What goes around comes around, they say. So perhaps it is only fitting that in a decade that has given us Ivan Boesky and Jim Bakker, we should also see a full-scale revival of cheating in baseball. Why shouldn't scofflaws and corked bats be rampant in an age that glorifies insider trading? Under our public policies, the subtleties of the '80s often seem to be: "Do anything you can get away with."

Make the umps catch you red-handed. And always maintain plausible deniability.

On Wednesday, American League President Bobby Brown

suspended 42-year-old Joe Nieko for 10 days for defacing baseballs — the first such suspension in five years and only the fourth in history since spittballs and the like were outlawed back in the 1920s.

Nieko contended that the emery board and sandpaper that came out of his uniform when the umpire told him to empty his pockets were just there to trim his fingernails. A plausible denial, right? It's tough to find a macaroni between innings at 10 o'clock at night.

Everywhere you look these days it's scuff this and cork that, grease here and saliva there. The National League's 1986 Cy Young Award winner, Mike Scott, is almost universally assumed, within dugouts, to be a creation of illegal scuffed pitches, plus a new forkball. Rick Rhoden and Tommy John are reasons 1 and 1-A for the Yankees' presence in first place in the American League's East Division; if they don't abrade the horsehide, then maybe nobody cheats.

Ask pitching coaches and veterans pitchers to guess how many hurlers cheat, at least occasionally, and estimates almost always range between one-third and one-half. The difference is that scofflaw behavior no longer seems to carry much stigma. As Cal Ripken Sr., the Orioles' manager, has noted, pitchers now cheat on any count, not just on a vital two-strike pitch with men on base.

Many fans feel considerable ambivalence about the sport's laissez-faire attitude toward the rule book. Something in almost all of us loves an outlaw, a rascal, if only his daring and style are sufficiently maintained. That's not to say that most of our nature approves — just a part. A few generations ago, that passion for rascallions was not so well hidden. America was half-proud of its desperados and gangsters, even as it painted wanted posters and organized manhunts.

In our time, sports is one of the preserves within a civilized society where scofflaw emotions can stay at home and not be run entirely off the turf. We love to hear the story of Earl Grimsley at the mound and saying to the much suspected left-hander, "If you know how to cheat, start now."

Two old-timers give us what might be called the pure professional view of cheating in baseball. "I'd always have [grease] in at least two places, in case the umpires would ask me to wipe off one. I never wanted to be caught out there without anything. It wouldn't be professional," wrote Gaylord Perry, the 300-game winner, in his book "Me and the Spitter."

Former manager George Bamberger once put the issue perfectly for all the Niekos and Scotts.

"We do not play baseball," he said. "We play professional baseball. Amateurs play games. We are paid to win games."

"There are rules, and there are consequences if you break them. If you are a pro, then you often don't decide whether to cheat based on it's 'right or wrong.' You base it on whether or not you can get away with it, and what the penalty might be."

"A guy who cheats in a friendly game of cards is a cheater. A pro who throws a spitball to support his family is a competitor."

That is the old voice of 19th century baseball, full of rush and push, boom and drive, an age of energy and can-do certainty, not of conscience and ambivalence. It charmed us then and still seduces us today.

"A guy who cheats in a friendly game of cards is a cheater. A pro who throws a spitball to support his family is a competitor."

Now for the greaselab or spitball, as molested pitches always have been known. A variety of substances can be used, the pitcher said. He mentioned Vaseline, K-Y jelly ("but the wind affects it because it dries quickly"), chewing-tobacco juice and shampoo. Shampoo?

"Rolph's shampoo is good because it comes off your neck slippery," he said. "Flex shampoo is good, too. You can put it on your neck or your forehead. But whatever you use, never put it on your hat or your glove because they're the two things you can take away from you."

When a pitcher uses a slippery substance on a ball, he should always put it in the same place. "That way," the pitcher said, "if the umpire asks for the ball, the catcher always knows where it is and can wipe it off."

"You can scuff the ball anywhere you want," the pitcher explained.

"You don't have to have a great big cut to make it do something. What you do when you throw it is you turn the scuffed part the opposite way of the way you want the ball to go."

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PEOPLE

Record \$3 Million Paid
For Paperback Rights

The paperback rights to Steve Tisch's "Presumed Innocent," a novel about a murder and a public prosecutor in a tough Middle Western city, were sold for \$3 million to Warner Books, the largest sum ever paid for reprint rights to a first novel. Sydney Pollack bought motion picture rights for \$1 million. Turok, a 38-year-old Chicago lawyer, spent six years writing "Presumed Innocent," signing with Farber, Straus and Gorham for \$100,000—the most that books ever paid for a first novel.

John Huston spent his 81st birthday Tuesday in the intensive-care unit of a Fall River, Massachusetts, hospital, as cameras continued to roll in nearby Newport, Rhode Island, for "Mr. North," a film produced and co-written by Huston and directed by his 25-year-old son, Denis. Huston was to have played a small role in the film, and although he has now been replaced in the cast by Robert Mitchum, he continues to concern himself with many details of the filming from his hospital bed, according to his son. Huston was admitted to the hospital on July 25 following two days of pneumonia.

Harry S. Truman left behind a hefty manuscript that promises to become a provocative best seller when it is published next year. A spokesman for Little, Brown and Co., the late president's daughter, Margaret Truman Daniel, is putting the finishing touches on the book.

Truman damaged by a bomb blast, stepped off it at his marble pedestal in America 16 months ago, was re-erected at dawn Thursday.

Ella Mae Merrick, the wife of the millionaire Broadway producer David Merrick, was awarded \$57,500 after telling a New York judge her busy husband was spending her money to meet his social expenses. Mrs. Merrick, 42, said the problem arose because her 47-year-old husband "is one of the great scoundrels of the Western world." He's in London now working on two projects, a musical and a French comedy farce. "I'm not going to take the money now, but we should run into a problem when we take it."

OBSERVER

Land of the Mouthpiece

By Russell Baker

NEW YORK — There is a body on the floor. A policeman finds you standing over it, smoking gun in hand. You need a lawyer. Fortunately, you have plenty to choose from because you have been watching the Iran-contra hearings for weeks.

Which one to retain? Lawyers are retained, not hired, so it's wrong to call them "hired guns." The term is "retained guns.")

Do you phone Arthur Liman, chief lawyer for the Senate's half of the committee? No, since Liman has a pronounced New York accent. You don't want a jury saying, "Anybody who associates with people that have New York accents has to be guilty of something."

So what about the House's counsel, John Nields? It depends. Was the cop who saw you, smoking gun in hand, wearing ribbons for police heroism and sharpshooting? Did he have long eyelashes and a boisterous grin andgulp a lot, the way honest, upright Gary Cooper gulped in the old movies?

What? You didn't notice? Well if he did, pal, you don't want Nields, because Nields is going to ask him questions like this:

"Did you examine the smoking gun to see if it had been fired?"

If he is a Gary Cooper type of cop with ribbons and has to admit he didn't check for fired bullets, the jury is going to hate Nields for embarrassing a guinea. Then the only way to beat the gas chamber, or whatever they have in your locale, is to get caught bribing the jury so the judge will declare a mistrial, for which you can get another lawyer.

Naturally you think of Orrin Hatch, not just a senator from Utah but also often gossiped about as Supreme Court Justice. But you don't retain Hatch; you've studied Hatch too closely on TV. You know his bad news.

In your first meeting he will ask two questions: "Are you a Republican?" and "Are you totally and absolutely devoted to President Reagan?" If the answer to either question is no, Hatch won't take your case. If the answer to both questions is yes, when the trial starts Hatch will order the judge to sit up straight, while he'll pronounce you innocent, declare it a waste of

time and money trying the case and walk out in a huff.

You waste no time on Brendan Sullivan and Richard Becker, who sat with North and Poindexter. Sullivan would turn the judge into a hangman by lecturing him on the Constitution, and you'd have to keep Becker nailed to the courtroom floor to stop him from trying to duke out the district attorney.

So how about Edwin Meese? Everybody calls him "Ed." That's one reason to think twice before saying, "Get me Meese." What do we know about the feds of the world? That they are friends of all mankind. People do not become friends of all mankind by getting upset and creating commotions that give everybody a headache.

You save Ed, Friend of All Mankind, on the telly. He didn't see much to get excited about, did he, in a couple of military fellows there at the White House taking over from top military brass and main diplomats? Imaging him at your trial confronted with smoking-gun testimony: "We can all agree, ladies and gentlemen of the jury, that a smoking gun can be infuriating to persons allergic to smoke, but even when it occurs in a No Smoking area, it is at worst only a minor crime."

Warren Rudman, possibly? Another senator, Republican, Boston College Law, 1960. For six years he was attorney general of New Hampshire; to wit, a prosecutor. Despite his Republicanism, he frequently demolished the administration's defense.

You see Rudman urging you to take the stand in your own defense, then subjecting you to such a brutal examination that you break down and confess to things nobody ever suspected, including harboring profound contempt for the clothing styles worn by seven members of the jury.

Who says we have a government of laws? This is a government of lawyers. Well, all right, of lawyers and marines. And one actor.

Worried about that smoking gun, your mind naturally turns to the actor. With a jury trial, maybe cameras in court. . . . You lift the phone.

"Get me the actor."

New York Times Service

David Sanborn: Back on Track

By James McBride

Washington Post Service

NEW YORK — It was five years ago, and also saxophonist David Sanborn was facing one of the most important choices in his life. He had been around the world. He had played in blues dives from San Francisco to Houston, and major concert venues from Montreal to London. He had played on hundreds of recording sessions, traded licks with Paul Butterfield, funked with Stevie Wonder, rocked with Bruce Springsteen, toured with the Rolling Stones, made friends in Rickie Lee Jones, and James Brown. He had been with them all. Him and the horn. Especially the horn, because sometimes he was so high he wasn't there and the horn seemed to play itself.

All his life, the horn had been a way out for him. Pojo at age 3 confined him to an iron lung; for a year after that he was paralyzed from the neck down, and today he has a barely noticeable bit of atrophy in his left arm and right leg. But when he was 10 he heard Ray Charles on the radio with an alto sax man named Hank Crawford and he was knocked out. Young David Sanborn picked up an alto saxophone and wandered into the no-man's-land of rhythm and blues joints in his hometown of St. Louis, Missouri. He played with people whose music made them feel free, blacks who poured their passion and soul into the music, and he, too, learned to pour passion and soul into his horn.

In the years that followed he also learned to pour "four to five" bottles of wine down his throat a day, and various drugs. Five years ago it caught up with him, and for the first time in his life his horn couldn't help him. He asked himself, "Do I want to get high, do I want to be a musician?" He decided on the latter, and quit drugs, alcohol, even caffeine. And while he was at it he quite being a sideman, too.

Which is why Sanborn is sitting in his tiny Upper West Side apartment munching a carrot, five years and three Grammy Awards later, detoxed and healthy, host of a nationally syndicated U.S. jazz radio program, frequent guest with David Letterman's "Late Night" band, and in the middle of a tour as the country's top jazz-fusion saxophonist with a new album, "A Change of Heart."

"Some say I'm too pop, too mass appeal," Sanborn said. "Others look on me as not mass appeal enough. But I play music on my records that I like. The concept I play in might not be particularly adventurous to some people, but I feel good about what I do. I enjoy playing what I gotta play. I have to be true to myself."

Sanborn laughingly refers to his apartment as "my dressing room." It's crammed



Nancy Kaye for The Washington Post

Alto saxophonist Sanborn: "I feel good about what I do."

with saxophones, books, a waist-high juice-maker packed into a metal case on wheels that he takes on the road, and a Yamaha grand piano with a music book opened to a jazz version of "My Favorite Things." His Grammy awards are lined rather unconsciously on the windowsill, under the air conditioner blasting overtime, right next to the small dining room table that seats only two. Sanborn, 41, divorced, lives alone. His son Jonathan, 21, is a bassist attending the Berklee College of Music in Boston.

"It's funny," he said, sitting at his table with carrot in hand. "People come up to me now asking me about the old days, what it was like. I don't feel old." Neither does he look old. Darkly handsome and thin, with a twinkly wise-guy grin and an outrageously hip stage presence—horn twisted to the side of his body in total funk repose—Sanborn could easily pass for 30 unless you look closely enough to see the twinges of gray in his hair.

He got his start in the late '60s, playing his first professional gig at age 15 with the bluesman Albert King in St. Louis, later joining the Paul Butterfield Blues Band in San Francisco. He moved east to Woodstock, New York, and in the early '70s

now plays for a living.

played with Stevie Wonder for two years, also touring with the Rolling Stones in 1972.

"That was wild," Sanborn said, recalling the Stones tour. "The group was at its height. Guys like [James] Capone, Terry Southern, hung out, partied, wrote articles for Rolling Stone." Drugs flowed freely in the part of the business he saw. "In the early '70s, drugs seemed harmless," he said. "It was like a big party. But by '74-'75, the drug scene got ugly. You'd be at a party and some guy would get up and say— and here Sanborn stands up, arms raised, and mimics a grimacing maniac—"Wow man! Wooooow! You got any more? WOW! And that guy would be like—"

But while he lived in a world of rock (he solo on James Taylor's "How Sweet It Is" remains a standard), Sanborn is, in essence, a jazzman who understands the intricacies of jazz and translates them into accessibility in the tradition of the rhythm and blues saxophonist Maceo Parker, Junior Walker and the late King Curtis.

Sanborn's playing embodies all of those influences, but his soaring, biting sound, and his ability to infuse so much passion, anger and humor into his playing—to the point where it seems his alto can't contain what he has to say—is what distinguishes him from today's syrupy pop horn men like Kenny G, Najee or even Grover Washington. His studio sound is polished, sought less successfully by studio horn men everywhere, and somehow more closely aligned with the playing of the alto jazzmen Phil Woods and Paquito D'Rivera.

"I don't particularly think I am an innovator," Sanborn said. "I have a certain way of playing that may have influenced some things. My music is more body-oriented, directly emotional, so in that sense it's more rhythm and blues. The music I make on my own, I would not call jazz. That's not to say I can't play in that environment. I happen to listen to a lot of bebop. It's intellectually and emotionally inspiring to me. To me, the ultimate musician is the tenor saxophonist Wayne Shorter. Everything he plays, it sounds like it's the first time he ever plays it. He has such a freshness—there's an innocence to his playing."

He's a shepherd of traditional jazz, his popularity lending considerable weight to his radio program: "The Jazz Show With David Sanborn," begun in January 1986 and produced by NBC radio. The two-hour weekly segments taped in New York, are aired by more than 140 stations.

"It's important," said Sanborn, who grew up in clubs where some of today's standouts got their start, "that the tradition of jazz and what it stands for be maintained in some way."

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